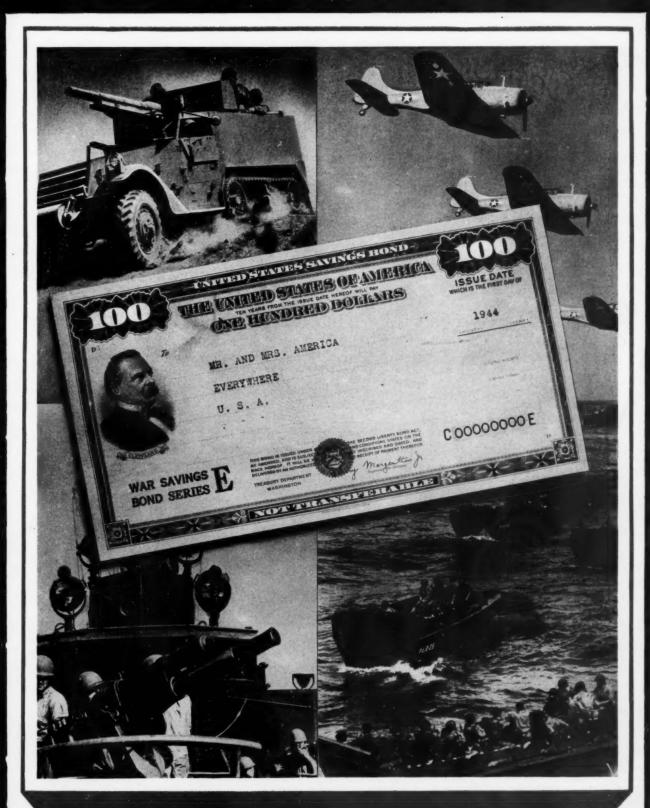
MENATIONAL UNDERWRITER



BUY ONE OF THESE BONDS TODAY!

THURSDAY, JUNE 22, 1944

So All Can See! We, of the Fire Insurance Industry, being well
with the serious results of far We, of the Fire Insurance Industry, being well acquainted with the serious results of far too believe that prevention acquainted with the serious results of far too far too believe that prevention of many industrial fires, believe is a patriotic during many ful fires in peacetime is a patriotic during many ful fires in peacetime. many industrial fires, peneve that prevention of many industrial fires in peacetime is a patriotic duty. In wasteful fires in peacetime should be doubly for wasteful fires this sense of duty should be doubly for wasteful fire this sense of duty should be doubly for the sense of duty should be doubly sh wasteful fires in peacetime is a patriotic duty. In wasteful fires in peacetime is a patriotic duty. In this sense of duty should be doubly felt. Wartime trus are conscious of a sense of

Many Americans are concerning the warting the wa Many Americans are conscious of a sense of concerning the waste concerning the waste personal responsibility concerning the waste. personal responsibility concerning the waste personal responsibility some of us are still blind from forest fires. But from industrial fires Till from forest fires waste from firest fires waste from fires waste from firest fi from forest fires. But some of us are still blind industrial fires. The from forest fires waste from industrial fires. The to the needless waste fidea, "Save Something E to the needless waste from idea," trous needless waste from industrial fires. The something For to the needless waste from industrial fires. The something For to the needless waste from industrial fires. The something For the needless waste from industrial fires. The something For the needless waste from industrial fires. The something For the needless waste from industrial fires. The something For the needless waste from industrial fires. The something For the needless waste from industrial fires. The something For the needless waste from industrial fires. The something For the needless waste from industrial fires. Forest Preservation idea, Dave Something For to our raw materials

Tomorrow, also applies to our raw materials

Tomorrow, and appues t

and industrial fire loss delivers another blow

Every industrial economy. to our national we doing to help this situation?

And what are we doing to help this situation?

And what are we doing to help this situation? Every annual economy.

THE NATIONAL BUREAU FOR THE INDUSTRIAL PROTECTION, INDUSTRIES office in Washings of the capital stock fire and casualty sponsored by the capital stock fire in Washings of the capital stock fire and casualty sponsored by the capital sto sponsored by the capital speck are and casualty

sponsored by the capital speck are and casualty companies, opened to onthe part of the Pearl Harbor.

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Present this efficient clearing house, the in-Through this cure of insurance engineers on spection reports of industrial plant in the spection live every industrial plant in the spection is ally every industrial plant in the specifically every industrial plant in the specific pl precious materials. spection reports industrial plant in the coun-Practically every available to our government.

Practically every available to our government.

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These reports conditions. They are ob-These reports conditions. They are obtained

Well as safety cooperation with the war at well as safety cooperation with the war plants, under close cooperation extremely valuable to under close cover extremely valuable to gov-and have proven extremely valuable to government authorities.

And what are we great public service organization,

We are backing a great For Industrial Protection

We are backing a Bureau For Industrial Protection We are backing a great public service organization,
the National Bureau For Industrial Protection.



CRUM & FORSTER

EET STR NEW 1 1 0 WILLIAM YOR N.

Organized 1824 United States Fire Insurance Co. The North River Insurance Co. Organized 1822 Organized 1837 Westchester Fire Insurance Co. Organized 1868 The Allemannia Fire Insurance Co. of Pittsburgh .

Richmond Insurance Co. Western Assurance Co., U. S. Branch British America Assurance Co., U. S. Branch Southern Fire Insurance Co., Durham, N. C. Organized 1836 Incorporated 1851 Incorporated 1833 Incorporated 1923

VESTERN DEPT. FREEPORT, IL . PACIFIC DEPT. SAN FRANCISCO . SOUTHERN DEPT. ATLANTA . ALLEGHENY DEPT. PITTSBURGH . CAROLINAS DEPT. DURHAM N. C



THERE HE IS ... one of the twenty-five millions . . . one of the huge army of good insurance prospects who read The Saturday Evening Post, The American Home and Time magazines, the three publications that carry Employers' Group advertising.

Sitting at home, relaxed . . . with his guard down . . . he sees the effective Employers' Group advertising. He reads about the services of The Man with the

Plan . . . about the importance of seeing a local Employers' agent for planned insurance protection . . . and he begins to think it over.

Yes, Employers' Group magazine advertising . . . combined with our nationwide radio advertising . . . is salesconditioning millions of prospects for Employers' Group agents. And those agents who follow it up with our coordinated direct mail campaign claim "It pays to be The Man with the Plan."

the Man with the Plan

The Employers' Group

One Liberty Square Boston 7, Mass.



THE EMPLOYERS' LIABILITY ASSURANCE CORP., LTD.
THE EMPLOYERS' FIRE INSURANCE CO. AMERICAN EMPLOYERS' INSURANCE CO.



every Bond is a blow for victory

IT'S Zero Hour on the homefront. Now, as our fighting men go all out for the Big Push, we must back them up as never before. We can't fail them now!

What you are asked to do, compared to the boys who are really in the fight, is a cinch. But your job is mighty important, too. You

are asked to invest MORE than ever during this 5th War Loan. You've done a magnificent job in previous drives. Now double the amount. Don't stop until you've invested to the very limit. Our fighting men won't stop, you can depend on that!

Can they depend on YOU?

WELCOME THE

Patriotic men and women in your neighborhood are giving their time freely in support of the 5th War Loan—to explain all the facts about war bonds and help you decide what is best suited to your needs. Welcome the Victory Volunteer if he calls on you. He, or she, is doing a service to his country and to you.

Back the Attack! - BUY MORE THAN BEFORE

The PREFERRED

ACCIDENT INSURANCE COMPANY

of New York

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Pour Ice Water on Proposed Uniform Definition Revision

Commissioners Refuse to Place Blessing on Program in Advance

Ice water was poured by the insurance commissioners at their annual meeting in Chicago on the proposal that appears to emanate from the industry to expand the uniform definition of inland marine insuring powers to include casualty and fire and to reorganize the committee on interpretation and com-

The report of the commissioners committee on interpretation and complaint submitted by Carroll of Rhode Island as chairman, touched off some pyrotechnics at the final session of the association Saturday afternoon.

Mr. Carroll's report praised the pro-posals and recommended that the ex-ecutive committee authorize the committee on interpretation and complaint "to prepare in collaboration with the "to prepare in collaboration with the representative groups a detailed revision of the agreement embodying the principles outlined herein and report back to the executive committee at an early date.

Equal Representation

Mr. Carroll recommended that each of the three branches of the business be equally represented on the joint committee (presently the casualty business has only two members compared to five each for fire and marine); that the personnel of the joint committee consist of sonnel of the joint committee consist of senior executives of insurance companies selected by the respective branches of the business whereas presently the members are nominated by the Interstate Underwriters Board, National Bureau of Casualty & Surety Underwriters and American Institute of Marine Underwriters and that the articles be revised to include within their scope fire and casualty insurance as well as marine. In prefacing his report, Mr. Carroll

In prefacing his report, Mr. Carroll said that the uniform definition has been adopted by 36 states in which 85% of the inland marine business is written. Companies writing 90% of the business are signatories. Some 1,400 cases have been decided and only two appeals have are signatories. Some 1,400 cases have been decided and only two appeals have been taken to the insurance commis-sioners. A revision of the program is sioners. A revision of the program is needed, he said. The committee sought suggestions of the National Board, In-surance Executives Association, Inland Marine Underwriters Association and Association of Casualty & Surety Ex-

Harrington of Massachusetts, the retiring president, expressed opposition to the idea of giving full power to the committee on interpretation and com-Plaint to make a revision of the setup.
Any such action, he declared, should be taken at a full meeting of the association. Recent events have changed the picture of insurance supervision, he ob-

Affects Interests of Dissenters

The Carroll committee, he declared, is asking for full authority to revise the program and that involves supervision of interstate underwriting. It involves the interests of people who don't agree with the majority. The question arises of the propriety of interfering with the

Insurance Stock House Sees Salutary Changes Ahead

Court decision will not harm the stock insurance companies but will actually benefit them and the entire insurance business, a copyrighted leaflet issued by Huff, Geyer & Hecht, one of the largest wholesalers of insurance stocks, contends that the decision "will serve a highly constructive purpose by accelerating certain trends already existent within the insurance industry and stimulating the purpose of the property of the purpose of the late salutary changes.'

The statement takes the view that the government has no desire to "bust" the insurance business. In support of this there is quoted Justice Black's statement that the insurance business "touches the home, the family and the occupation or the business of almost every person in the United States.'

Industry Will Adapt Itself

The security firm's leaflet points out that "on many prior occasions through-out 150 years of economic and political development the actuaries, engineers, underwriters, salesmen and other technicians of the insurance business successfully have revised operating policies to conform with changing conditions.
That the industry will prove equally capable of adjusting itself to such changes as may be precipitated by the Department of Justice and this Supreme Court decision we are confident.

"The long range implications of the changes we think will be induced by this pressure for change which comes from within as well as from outside the industry seems so strongly favorable to insurance stocks as to warrant the viewinsurance stocks as to warrant the view-point that the equities of the insurance business, over the next several years, will be immeasurably benefited by greatly broadened underwriting prac-tices, conducted at a lower cost to pol-icyholders, and at greater profit to insurance company stockholders.'

Conclusions Given

Much of the leaflet consists of a historical review of the S.E.U.A. case but there are quite a few conclusions and expressions of opinion. Among these

are the following:

1. Even if the S.E.U.A. companies are adjudged to have violated the Sherman anti-trust act there is not the least like-

exercise of full charter powers by individual companies within the pattern of state laws. Any such program should not have the prior endorsement of the

"We should go slow in monkeying with interstate business," Mr. Harrington asserted. He said that two companies have already resigned from the committee on interpretation and complaint. Although he did not name those companies it is understood that one is Atlantic Mutual. These resignations arose out of differences among the companies as to whether their charter powers should be interpreted for them

After some discussion it was agreed that the motion should be to lay the report on the table and refer the matter to the new committees to proceed and to report at the next meeting.

to report at the next meeting.

When the vote was taken on this emasculated resolution, Superintendent Dineen of New York said: "Mark New York as not voting."

Considerable opposition was voiced in lobby discussion to the proposed revision of the setup. Some of the opponents were referring to the proposal as the "cartel plan."

NEW YORK-Vigorously expound-ing the thesis that the S.E.U.A. Supreme petition of many years ago, since perpetition of many years ago, since per-mitting such an attitude toward rate making would lead to actual monopoly, with the big companies forcing the weaker ones out of business.

2. If it becomes necessary to devise an arrangement that would not violate the Sherman anti-trust law the solution to one man anti-trust law the solution to the problem of devising a rating arrange-ment that would be acceptable to the companies and to the Justice Depart-ment is one that "we may safely leave to the capable minds of the insurance industry." industry.

Dislike Present Rating

3. "One locality within a state may have consistently low loss ratios while another has consistently high loss ratios but under present state laws 'non-dis-criminatory' premium rates must be criminatory' premium rates must be fixed for risks of similar character in most areas. Under such circumstances naturally fire insurance companies have naturally fire insurance companies have paid large and undoubtedly excessive commissions to agents for the highly profitable risks producing the low loss ratios. The benefits of the favorable loss experience logically should not go to the agents but to the insured and the insurance companies should be permitted to charge adequately high premium

(CONTINUED ON PAGE 17)

Study Whether from Original Plan

The report of the fire and marine committee of the National Association of Insurance Commissioners, that was approved at the annual meeting in Chia special subcommittee to study and determine whether there has been a departure from the original plan of operation of the Interstate Underwriters Board as approved by the commissioners in 1928 and to report its findings to the full committee in advance of the December meeting.

Crabbe Makes Report

Crabbe of Ohio reported as chairman of the fire and marine committee. He of the fire and marine committee. It is stated that at his invitation members of the special committee on interstate rating met with the fire and marine group and participated in a discussion of interstate underwriting practices in fire insurance. Mr. Crabbe stated that the committee has been advised that some states have felt that in adopting the 1943 New York standard fire policy it might be difficult to use an optional coverage form of policy. The commitcoverage form of policy. The commit-tee, however, is convinced that the 1943 policy permits such flexibility so that coverages additional to fire may be written in accordance with endorsements or printed as addenda to the policy and insertion with regard to the amount of insurance could refer to the amounts entered in a schedule at the top of the policy for which rates and premiums

are charged.

The committee also discussed standard farm forms, the question whether fire and extended coverages constitute a divisible contract with respect to reinstatement of losses and cancellations because of loss and the matter of the insurance activities of the farm security administration through companies not admitted to do business in the state.

Commissioners Body Sweats Out Approach to Issue

Decide to Work for S. E. U. A. Rehearing, to Fathom Industry Views

NEW OFFICERS ELECTED

President-Newell Johnson, Minne-

Vice-president-James M. McCorm-

ack, Tennessee.
Secretary—Jess G. Read, Oklahoma. Chairman executive committee—E. L. Scheufler, Missouri.

L. Scheufler, Missouri.

Members executive committee elected by entire association—O. P. Lockhart, Texas; C. C. Fraizer, Nebraska; R. E. Dineen, New York.

Members executive committee elected by zones—J. Austin Carroll, Rhode Island, zone 1; Gregg L. Neel, Pennsylvania, zone 2; J. Edward Larson, Florida, zone 3; Oscar E. Erickson, North Dakota, zone 4; J. H. Graves, Arkansas, zone 5; Seth B. Thompson, Oregon, zone 6.

Literally and figuratively, members of the National Association of Insurance Commissioners and several hundred industry representatives sweated out over a five day period in Chicago last week



ending at 6 p. m. Saturday, the cos-mic problem that faces the insurance business as a result of the U. S. Su-preme Court deci-sions in the com-merce cases. The weather was hot and the humidity high and the whole group, commissioners and camp fol-

lowers alike, it could be considered, was in session on the topic night and day for the entire week. Everyone was concentrat-ing on the momentous question of the hour and what was said in the huddles in the Edgewater Beach Hotel lobby, in the Edgewater Beach Hotel lobby, in the rooms and at meal time had nearly as much significance in shaping the decisions and developing policy as did the meetings of the special committee to study federal legislation, the executive committee and the association as

a whole.

The final decision came pretty close to coinciding with what appeared to be the majority sentiment in the first hours of

onvention week.

It is in effect that the special committee, headed by Graves of Arkansas, consult with various elements of the insurance business, other interested persons or organizations with the idea of arriving at specific recommendations to be submitted to a special session of the executive committee not later than

To Ask For Rehearing

Additionally the association approved a resolution recommending that the insurance supervisory official of each state request his attorney general "to consider the desirability of cooperating in security desirability of cooperating in security." ing a rehearing of the case by the United States Supreme Court." Opinion was divided on whether any purpose

(CONTINUED ON PAGE 15)

Virginia Agents **Hear Constructive** Suggestions Made

M. L. Wilson Elected President at Roanoke Convention

NEW OFFICERS ELECTED

President-Marvin L. Wilson. Alex-

Vice-president - John T. Minter, Treasurer-Warren F. Curtis, Rich-

National state director - Roger

National state director — R o g e r Clarke, Fredericksburg. Directors—J. A. Nelms, Newport News; R. E. Hawks, Portsmouth; T. W. Kelley, Richmond; E. V. Lankford, Emporia; A. E. Cox, Danville; W. G. Stephenson. Roanoke; D. H. Lees, Warrenton; E. H. Dickey, Bristol.

ROANOKE, VA.—Recommendations that the Virginia Association of Insurance Agents keep before it for future consideration the need for recodification of the insurance laws and for anti-dis-

criminatory laws were made by Jawere made by Jacob Haun, retiring
president of the association, at the
annual convention
here. He also recommended e mployment of a capable attorney to
advise and work
with the association on its legal
and legislative
problems. He also
s u g g e s t e d that
eventually the r e
should be in Virginia



should be in Virginia a separate regula-tory body to supervise and regulate in-surance in that state.

Big Attendance on Hand

Registration was 215 in spite of travel difficulties. Marshall Speight, state agent of Virginia F. & M., brought greetings from the Stock Fire Insurance Field Club of Virginia. James J. Izard, Roanoke, past president, presided at past presidents' dinner Tuesday evening. Mr. Haun was presented a pair of candelabra in appreciation of his services

delabra in appreciation of his services the past year.

Marvin L. Wilson, new president of the association, has been in the insurance business since 1924. He was first associated with the Metropolitan Life in Washington, N. C., as an agent. In 1929 he joined Travelers there. In 1934 he acquired an agency in Alexandria and has since been operating it under his own name, handling general lines of inown name, handling general lines of in-surance. He was a member of the Dis-trict of Columbia bar after completing his law studies but soon abandoned the legal profession to make insurance his

Asks Separate Insurance Department

In his presidential report Mr. Haun suggested the appointment of a commit-tee of six agents to study insurance reg-ulation in Virginia with the purpose of developing a long-range plan for setting up a separate regulatory body to supervise and regulate the business in Virginia, the committee to report recommendations to the association at the annual meeting next year. The state corporation commission supervises insurance and a number of other matters. Mr. Haun believes insurance is so im-(CONTINUED ON PAGE 16)

Fire Losses Up 12% in May But Lower Than April

NEW YORK—Estimated fire losses in the U. S. in May were \$32,815,000, an increase of \$3,518,000 or 12% over losses in May, 1943, according to the National Board. The total was higher than for any similar month since May, 1932, when losses totalled \$39,270,000.

May losses represented a decrease of \$1,931,000 or 5% from \$34,746,000 in April. Losses in the 12 months ending May 31 are estimated at \$400,072,000 as compared with \$330,427,000 for the preceding year.

Total \$148,082,000 \$163,660,000 \$183,497,000

\$100,000 FIRES IN MAY

Fires in the United States in May which caused \$100,000 damage or more, as listed by the New York "Journal of Commerce" are: Neponset, Mass., factory, \$150,000; Rox-

Commerce" are:
Neponset, Mass., factory, \$150,000; Roxbury, Mass., warehouse, \$100,000; Winchester, Mass., barn, \$100,000; Nutley, N. J., factory building, \$100,000; Moravia, N. Y., building, \$100,000; Berwick, Pa., delicatessen \$150,000; Leakawanna, Pa., field plant, \$150,000; Leabnon, Pa., radiator plant, \$1,000,000; Peuta, Pa., junk yard, \$100,000; Chicago grocery, \$100,000; Big Rapids, Mich., plant, \$100,000; Grand Rapids, Mich., furniture store, \$100,000; St. Louis, Mo., country club, \$400,000; Delaware, O., popcorn seed plant, \$100,000. Also: Imokalee, Fla., lumber yard, \$100,000; Camilla, Ga., peanut plant, \$150,000; Merkel, Tex., warehouse, \$100,000. Camilla, Ga., peanut plant, \$150,000; Merkel, Tex., warehouse, \$100,000; Cal., business building, \$100,000; San Diego, ice plant, automobiles and buses, \$200,000; Strathmore, Cal., oil and fat factory, \$235,000; Eugene, Ore, business center, \$100,000; Yakima, Wash., department store, \$200,000.

center, \$100,000; K mill, \$100,000; Yaki ment store, \$200,000.

Ask Collision Increase on Older Cars in Va.

A hearing was scheduled to be held before the State Corporation Commis-sion of Virginia June 21 on a petition for increase in premium rates on colli-sion coverage for older automobiles sion coverage for older automobiles to cover higher costs of repair parts and

to cover higher costs of repair parts and labor. The requested advances range from 12½ to 50%.

For age group 1, composed of automobiles purchased not more than six months prior to the date the insurance attaches, no change is asked. On group 4, purchased more than 30 months prior to the date insurance attaches, an increase from 40 to 60% of age group 1 premium rate is asked. An increase from 60 to 70% is asked for group 3, cars purchased new more than 18 months ago but not more than 30 months prior to the insurance date. For the 6-to-18-month group 2, the proposed increase would be from 80 to 90% of group 1 premium.

Calendars Popular in Italy

Capt. David Breeding, brother of M. B. Breeding, president of the Oklahoma Association of Insurance Agents, has found a new use for the tiny celluloid found a new use for the tiny celluloid calendars used for advertising purposes by life companies. His sister, Miss Corrine Breeding of Pacific Mutual in Oklahoma City, sent several calendars to the captain, who happened to show it at a dinner at the home of a marquis in Italy. The card was so popular that all guests wanted one and Capt. Breeding wrote for as many more as Miss Breeding could dig up to send him, for gifts to his Italian friends.

Vindication Sure, A. E. Hill Believes

S.E.U.A. Head Urges Those in Business Not to Lose Perspective

The Supreme Court's decision makes no determination as to the truth or falsity of the allegations in the S.E.U.A. indictment, Ashby E. Hill, vice-president of Home and president of the Southeastern Underwriters Associa-

tion, said in his address at the annual meeting of the association at Hot Springs, Va. Also, he added, we are just as convinced as ever that at the trial, it will be clearly es-tablished that the defendants in this case have not violated the anti-trust



Ashby E. Hill

Mr. Hill, Casper S. Whitner, associa-Mr. Hill, Casper S. Whitner, associa-ate southern manager of Hartford Fire, vice-president, and Lloyd T. Wheeler, manager of S.E.U.A., were reelected. Mr. Hill urged that those in the insur-

ance business not lose their perspective. The Supreme Court decisions undoubedly will have profound effects on every person and company engaged in insurperson and company engaged in insur-ance, he said. However, he added, the S.E.U.A. since its inception in 1882 constantly has sought to inculcate sound principles of underwriting; encourage a high standard of business ethics; protect the interests of every policyholder through sound policy forms, fair, equit-able and non-discriminatory rates in solvent companies; and to protect both able and non-discriminatory rates in solvent companies; and to protect both life and property by reducing fire waste and promulgating effective fire prevention methods. tion methods.

He suggested that classifying risks ac-

He suggested that classifying risks according to type of construction, occupancy and physical environment, to type and character of city or town, its public fire control and prevention systems, and giving full credit for the variations and the hazard in the respective classes of risks hardly constitutes. tive classes of risks hardly constitutes violation of anti-trust law. The system rolation of anti-trust law. The system contemplates full information to the property owner as to the correct ways and means of rating structures for nearly five states and maintaining them in that condition; if furnity for the condition of the condition of the condition of the condition. in that condition; it furnishes free of cost to all municipalities the services of its experts in installing water systems, electrical wiring systems and fire fighting apparatus so that the best results and the lowest fire insurance rates may be charged to the public. Its rating and inspections services have been available to non-member as well as member com-

to non-member as well as member companies and to mutual companies. Mr. Hill said he could not see how this tended toward monopoly.

He said he had confidence that the S.E.U.A. would be vindicated at the trial of the suit in the Atlanta district court. In the meantime, however, he urged, every proper effort should be made to secure passage of legislation by Congress which will protect the companies and the public against the uncertainties of the newly created conflict between federal and state laws. Prudence dictates that those in insurance exert themselves more energetically to protect their own interests, he said. This can be done in a democratic manner and be done in a democratic manner and thus help preserve the principle of pri-vate enterprise, he declared. R. D. Hobbs, manager Western Ac-tuarial Bureau, was a guest.

Mass., Idaho O. K. Locker Cover

Massachusetts and Idaho have approved marine coverage of merchandise of assured's customers in cold storage

Speed in Awarding of Remaining PX Coverage Indicated

Army Picked Carriers in Two Weeks for Second Service Command

The army's awarding of the insurance program for the post exchanges of the second service command within the short space of two weeks after the closing date for competitive bids appears to indicate that it has found the pattern it wants to follow and that the coverage on the remaining six of the nine service commands will be buttoned up with similar promptness, as contrasted with the time taken to work out the deals for the two earlier cases.

Companies have been asked to bid on coverage, which includes a very complete line of physical damage, liability, and fidelity insurance, in the eighth service command, which comprises Texas, Louisiana, New Mexico, Oklahoma and Arkansas, for which the closing date for bids was June 20, and in the nighth service command, which includes ninth service command, which includes California, Arizona, Idaho, Montana, Nevada, Oregon, Utah and Washington, for which the closing date is June 25.

Many More Companies Interested

The fact that the North America companies were the winners in the second service command, which includes New York, New Jersey and Delaware while Home won the fire and marine coverage award for the third service command comprising Maryland, Virginia and Pennsylvania has encouraged considerably more interest among the larger companies in submitting bids on the remaining service commands. Many of the companies invited to bid on the third service command, the first to be awarded on a bid basis, refrained from bidding, feeling the army's data were too meager to enable them to bid with any degree of accuracy. The fact that the North America

any degree of accuracy.

It seems probable that these awards were not made on the basis of price alone but that the army took into account financial stability, service facilities throughout the command's area, and the type of experience, ability and skill that would presumably be used in handling

all phases of the risk.

Saving Needless Work Is Alm

The army's objective is apparently not primarily to save money, although it is not overlooking any bets in this direction. The main aim is to save the time of officers and other personnel needed to handle the great amount of paper work that is involved when policies are handled for each post exchange individually under the old system.

Naturally, there is also a desire to have complete coverage without any gaps that would prove embarrassing and costly after a loss. Under the previous system it was up to the command-The army's objective is apparently not

ous system it was up to the commanding officer on the post to arrange the insurance. Not being an insurance expert, he was likely to get good insurance coverage if he placed the business with a good agent and poor coverage if he dealt with an inferior agent and it would be difficult to tell one from the

The system under which an entire service command is insured in a single fire and a single casualty company recognizes the producer whom the post commander designates and in nearly every case this has been the agent who previously bandled the business. previously handled the business

(CONTINUED ON PAGE 16)

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States Rights Bill Is in Race Against **Recess of Congress**

Fire Insurance Probe Resolution Killed—Biddle to Press S.E.U.A. Case

WASHINGTON—"Straight from the horse's mouth," as Ambassador Grew told the Japanese before Pearl Harbor, comes word that the states rights in surance bill scheduling for House consideration this week seems doubt-ful!

full.

"It was scheduled for Wednesday,"
Majority Leader McCormack told The
NATIONAL UNDERWRITER, "but it can't
come up then because of conference
reports. They must be considered. It
is hoped and expected it will be
reached during the week. Recess is
planned to begin Friday."

WASHINGTON-Insurance continues to the forefront in the halls of Congress. In some respects, the situation looks like a race between possible action on insurance legislation and the beginning of a Congressional recess, about June 24, through the national political conventions. The Hancock-Walter insurance state rights bill, the Lynch resolution for congressional investigation

olution for congressional investigation of fire insurance and allied lines, proposed federal crop insurance, and amendment of the pension trust law were claiming attention in Congress.

The states rights bill, Rep. McCormack, Massachusetts, majority leader, has indicated, is scheduled on the House calendar for this week. But it was scheduled for last week also.

Meanwhile, the House committee on rules is understood to have killed the resolution of Rep. Lynch, New York, for investigation of fire insurance by a special House committee, following a hearinvestigation of fire insurance by a spe-cial House committee, following a hear-ing on the proposal last Friday. Lynch and Rep. LaFollette, Indiana, appeared before the committee in support of the proposal for a rule for consideration of the resolution.

Quotes Pink's Criticism

In a statement before the committee Lynch referred to "serious charges" he said were made against fire insurance companies' conduct and quoted from certain criticism of fire insurance rating by former Superintendent Pink of New York.

former Superintendent Film of According York.

LaFollette told the committee insurance interests are making a "grave mistake" by pushing the Walter bill. Enactment of that measure, he said, would prevent trial of the Southeastern Underwriters Association case in the Georgia federal court. In seeking exemption from the antitrust laws, LaFollette said, insurance interests take the position insurance is not competitive.

surance is not competitive.

"If you say you are not competitive," said LaFollette, "you say, in effect, that you are coupled with the public interest. If you affect the public interest, then you are a fit subject for regulation.

Need Facts to Decide

"Frankly, I do not want to see federal regulation of insurance if something else can be worked out. The insurance people are making a mistake. The Walter bill ought to be postponed. The Lynch resolution ought to be brought out. We should have an investigation. From the facts developed we could then do something intelligent.

"In my judgment this particular Congress would never pass legislation for insurance regulation by the federal gov(CONTINUED ON PAGE 16)

Ill. Farm Agents Reelect Officers

B. R. Walinder and E. J. Dolan Speak at Peoria Convention

PEORIA—The Illinois Farm Insurance Agents Association at its annual meeting here reelected all officers: Forrest L. Boden, London Mills, president; C. A. Swarm, Decatur, vice-president, and Robert Stou-

tenborough, Maroa, About 75 attended.
Bert R. Walinder,
manager of the
farm and hail departments of Amerpartments of America Fore, Chicago, and E. J. Dolan, special agent Hartford Accident, Urbana, were the principal speakers. Mr. Boden discussed commissions on farm installment business as stallment business and other matters.



R. R. Walinder

Walinder's Address

The farm agent may know thoroughly the improvements in coverages that have been made in recent years, but this knowledge is of little value unless it is conveyed to the farmers in the agent's working area, Mr. Walinder said. He suggested that agents analyze in detail how many potential customers they have within a radius of 10 miles of their agencies.

have within a radius of 10 miles of their agencies.

If the agent has been in business a number of years it is likely that the farmers know him as an insurance man, but they may not know that he specializes in farm business; that household goods coverage has been extended; or that wearing apparel of children away at school is covered.

The agent's job, he said, is to give farmers the answers to their insurance needs. The agent who goes around with something new will be listened to, he said. Farm coverage is constantly being broadened, and the new features will serve to make new friends and sell additional protection to old ones.

When the 1943 New York policy goes into effect the special farm policy in use for a number of years will be discontinued and the same contract used for recording business will be used on farm risks, he said. There will be several new improvements to sell.

He said those in the farm insurance business don't want to run wild but to hold a middle of the road course. Changes are being made gradually, but none of those made have been regretted. He said that if the farm continues prosperous then the insurance on it is safe. Take care of today's business today, he advised.

Farmers Need Liability Protection safe. Take care day, he advised.

Farmers Need Liability Protection

A convincing picture of the need by farmers for public liability protection was presented by Mr. Dolan. After the war, he said, the farm will be more mechanized than ever, probably as much so as an industrial plant. Of all fatal work accidents in 1942 24% occurred on the farm, although agriculture employed only 16% of the workers, he stated. The death rate in agriculture is 1½ times the all-industry average. He stated. The death rate in agriculture is 1½ times the all-industry average. He pointed out that 18% of the fatalities resulted from the operation of farm machinery, and this equipment accounted for 31% of non-fatal injuries. Another 18% of fatal accidents were caused by live stock. The total number of farm work accidents reported for 1942 was 232,500, more than the total war casualties of American servicemen in 2½ years up to June 7, 1944.

The average cost per accident in 1942, he continued, was approximately \$300 in medical expense and lost wages. an

Interpretation of **New Employment** Order Is Awaited

With the new directive from the President that on and after July 1 all male employes must have a referral from the United States Employment Service (USES) The NATIONAL UNDERWRITER asked Guy Fergason of the Fergason Personnel, Chicago, to give his impressions of its effect in the insurance area. The purpose of the order, he points out, is to prevent labor hoarding when there is a need for specially trained men; to give priority to war production and prevent those in defense industry leaving before the war is over and returning to non-essential industries, where they feel post-war employment is more secure; to assist in further stabilizing wages; and to prevent unmerited changes in jobs by workers. It will deter many a worker from changing jobs for a personal reason if he has to secure a referral from USES.

The exceptions to this order include employers of seven or less employes; agricultural employes; females as yet have not been included but may be later if the employment situation becomes acute; returned veterans who have been discharged from the armed services less than 60 days.

A majority of the insurance employes are women and so will not be required to have a referral from USES. Then, too, returning veterans are free to accept jobs of their choosing in essential or non-essential industry where their skills can be used. From these two groups insurance can draw many employes.

It would be impossible, Mr. Fergason estates for USES to interview classify.

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ployes.

It would be impossible, Mr. Fergason states, for USES to interview, classify, and refer all employes who change positions, so the directive has modifications to take care of cases where special arrangements are made. In the past if an employer has been using hiring halls, unions, colleges and university placement bureaus and other special sources of accepted and regular usage he may continue to use them in the future, procontinue to use them in the future, provided they have been approved by USES and enough employes still go through USES for them to keep control

through USES for them to keep control over employment.

This is a directive and not a law and USES anticipates the cooperation of employers until there is further and more complete interpretation.

There has been speculation as to the enforcement of this order. This directive is part of the manpower stabilization program and provides that where an employer hires an employe without a referral the employer may not be allowed the salary paid the employe as a deduction on his income tax and USES can refuse to give the worker a referral slip if he refuses to accept a position to

can refuse to give the worker a referral slip if he refuses to accept a position to which they refer him.

Mr. Fergason believes that when interpretation is available USES will grant insurance companies permission to hire from regular sources of employment; that this order is not directed at the cooperative employers and patriotic employes, but at the labor hoarder and job changer, that the directive will be intelligently, if not broadly interpreted.

Howland Retires, Walters at Head

W. H. Howland, Accident & Health department manager of General Accident for 25 years, has retired. Fred M. Walters, second man in the organization for a number of hears, succeeds him.

actual cost to agriculture of \$69,750,000. In the same period total value of farm property destroyed by fire in the U. S. amounted to \$80,000,000. To the cost of accidents must be added other casualty claims plus litigation and investigation expenses

Mr. Dolan discussed in detail the coverage offered by the farm liability

I.M.U.A. Faces Dilemma as to P.P.F. in New York

Hestitate to Promulgate Rates for Line Not Covered by Rating Law

NEW YORK—The I.M.U.A. Wednesday night sent to members an "advisory opinion" as to the appropriate territorial classifications for New York state for P.P.F. There are four classifications for New York City and one for balance of state. This will enable the companies to follow the regular fire plus formula that is used in all states except Illinois and Kansas.

NEW YORK-The Inland Marine Underwriters Association has not decided whether in view of the Supreme Court decision in the S.E.U.A. case it can safely go ahead and make rates for the personal property floater policy which Superintendent Dineen has ruled may be written in New York beginning

It is understood that varying degrees of doubt prevail among the member companies, a few feeling very definitely companies, a few feeling very definitely that they would be laying themselves open to prosecution by going ahead and promulgating rates. Even the promulgation of rates on a wholly advisory basis is not regarded as free from possible danger. What the I.M.U.A. companies fear is that any action in the nature of making rates outside the framework of a state rating law as is the case with marine risks in New York state would be on an entirely different state would be on an entirely different footing if taken after the Supreme Court decision than if effected before the decision. Up to June 5, 1944, the compa-nies had every reason to believe that they were acting within the law in promulgating mandatory rates even without being required to by state law. They would not have that defense for actions taken after that date. They would be presumed to be acting with their eyes open and if they guessed wrong would have to face the consequences.

At the same time there is not be-lieved to be any risk in companies go-ing ahead and sticking to rates that were promulgated and in force before June 5 though of course there is nothing to compel them to abide by those rates unless they care to. In case the I.M. U.A. cannot satisfy itself that it would U.A. cannot satisfy itself that it would be on safe legal ground in promulgating rates for the personal property floater in New York there appears to be little doubt that the companies will go ahead and write it at their own rates.

Many New York City producers are considerably less than overjoyed at being presented with the personal property floater to sell just at this time. Many brokers are still in the throes of handling rate reduction matters for their

dling rate reduction matters for their policyholders and trying to reach their

policyholders and trying to reach their New Jersey insured to present the personal property floater, which was recently legalized in that state.

Brokers would have liked a little breathing space before having to bone up on the New York personal property floater information and then have it presented to their clients in due course. However, there is always the danger that some more enterprising producer will get to their clients first. Even if that doesn't lose the business for the

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Life Companies Not United on Attitude on U. S. Bill

Majority Reported Opposed to Legislation of **Bailey-Walter Type**

NEW YORK - The life companies are far from unanimous on what should be done to resolve the questions raised by the Supreme Court decision in the S.E.U.A. case. A substantial majority are strongly opposed to legislation of the Bailey-Walter type which would exempt insurance from the Sherman antitrust act. They feel such support might give the public the idea that the life companies have acted counter to the companies have acted counter to the Sherman act or might want to at some time in the future. Most of the life company backing for the Bailey-Walter measure comes from the life companies having fire company affiliations.

Cooperation with the insurance commissioners in their efforts to evolve a workable basis for regulating the insurance business in the light of the S.E.U.A. decision is, of course, another matter

decision is, of course, another matter and there are not the same reasons for aloofness as are felt by many about sup-porting the Bailey - Walter legislation. Some life people feel it was unfortunate that neither of the two major life com-pany organizations had been authorized to speak for the industry at the recent meeting of the commissioners in Chi-

Life Presidents' Committee Meets

The Life Presidents Association The Life Presidents Association is holding a special meeting Friday of this week to hear the report of its committee which was appointed to study the effects of the S.E.U.A. decision. This committee, headed by Robert Dechert, counsel of Penn Mutual, met Monday jointly with a similar committee of the American Life Convention headed by Berkeley Cox, counsel of Aetna Life. The question of cooperation with the insurance commissioners is sure to come up ance commissioners is sure to come up

for action.

The mathematical chances of the Supreme Court's even granting a rehear-ing of the S.E.U.A. case—to say nothing of the S.E.U.A. case—to say nothing of materially modifying its decision—are extremely slim. But against these discouraging odds is the importance of the case, the disruption that would be caused by permitting the decision to stand, and the weight that the many state attorneys-general will carry in petitioning for a reheating.

titioning for a rehearing.

Two Choices Are Presented

If the court should grant a rehearing and decide to modify its decision, two principal choices seem to be open to it. The first would be that Congress has the power to legislate concerning interstate insurance transactions but has not exercised that power even in the Sher-man anti-trust act. The other would be to refuse to agree with the justice de-partment's contention that insurance is commerce but to say, as in the Polish Alliance case, that insurance affects commerce. This would put the companies on notice of a change in status but would give them time to readjust their practices in line with the court's affirma-tion of Congress' power to regulate in-surance where it affects interstate com-

Merce.

A possible explanation of why Justice Roberts disqualified himself from taking part in the S.E.U.A. decision, which has been a mystery, may be the fact that he at one time owned 2,000 shares of stock of Franklin Fire of Philadelphia. He sold all but 200 shares before taking

(CONTINUED ON PAGE 14)

Denies SEC Has Eyes on Insurance Investments

WASHINGTON-Orval L. DuBois, secretary Securities & Exchange Commission, says he has "heard of no such suggestions" as a proposal from SEC "legislative action to regulate insurance company investments." From time to time, there have been rumors of such a project on the part of the admin-istration. Life insurance interests have istration. Life insurance interests have been specially concerned, according to report. Recently it has been rumored that such proposals have been check-mated in advance.

To obtain official information The NATIONAL UNDERWRITER Wrote Mr. DuBois at the SEC headquarters, Philadelphia. His reply, from which the above quotations were taken, also says in cert.

"As you know, public offerings of se-curities, generally speaking, are subject to registration under the securities act of 1933. However, the requirements of registration do not extend to the sale of securities to a limited number of companies or persons. There has been much criticism of the fact that, not unfrequently, security offerings have been limited to a few insurance companies or imilar insettitutional investors. Hereby similar institutional investors, thereby not only avoiding registration under the securities act but also making the secur-ity unavailable for purchase by investors generally. Nor would there be on file with the commission, in the event the security later turned up in the hands of investors following its resale by one or more of the institutions, financial and other information which otherwise would be required to be disclosed in Securities Act registration statements.

"To meet this problem, one of the proposals for amendment of the act, on which hearings were held before the in-

terstate and foreign commerce commit-tee of the House of Representatives late in 1941 and early in 1942, provides that the private sale to institutional investors of securities in an amount exceeding \$3,000,000 should nevertheless be subject to the registration requirements of the act. Congressional hearings on

this have never been completed.
"Of course, you understand that such an amendment to the securities act could hardly be called regulation of insurance company investments. But it surance company investments. But it is possible that it has become confused with the subject of regulation, and I have mentioned it here for that reason.

Sims Applauds Supreme Court

Commissioner Sims of West Virginia has issued a formal mimeographed state ment to agents and companies contending that the Supreme Court in the S.E. U.A. decision upheld the validity and constitutionality of the right of the several states to police and regulate the insurance business within their own bor-ders. Although Congress has the power to take insurance regulations away from the states by setting up a federal bu-reau of insurance, it has refused to do this many times and there seems to be

on sentiment presently to do so.

Mr. Sims expresses the belief that the only adverse effect of the decision might be to invalidate a West Virginia statute prohibiting a home chartered company from transacting business in any manner in another state unless it is licensed there. Mr. Sims declares that the decision "is a clear cut victory in favor of the small business man, home owner, farmer..." He goes on to charge that farmer. . ." He goes on to charge that monopolistic price fixing activities of insurance companies have resulted in rates that discriminate against the small prop-

David Greenberg, who left the H. A. Wolf Company agency of Omaha recently to establish his own agency in that city, represents Atlas and Alliance. He is operating as the Greenberg Insurance Agency.

Appreciation for **SWIS Results**

An expression of appreciation to the National Board, American Mutual Alliance, and other groups and companies for their cooperation in making the states war inspection service the outstanding success it has been was voted at the meeting of the fire prevention committee of the National Association of Insurance Commissioners at the convention in Chicago. McCormack of Ten-

nessee is chairman.

The work has been of extremely high caliber all the way through and more was accomplished than was anticipated, Lt. Col. J. B. Warden, chief of the in-dustrial protection division of the office of civilian defense, Washington, said. The government is highly appreciative. Col. Warden said that there were a few suggested changes in the form, particularly an item that would induce com-ment by the inspector as to the quality ment by the inspector as to the quality of fire and accident prevention standards in a particular plant. McCormack said that he thought this would be satisfactory but the form should be kept as close as possible to the sort used in the insurance business. Some members of the SWIS central committee, which is composed of commissioners, war department people and fire company men were ment people and fire company men were on hand, including A. Bruce Bielaski, National Board; Paul I. Leary, secre-tary of that committee, and Judge B. Miller of the National Association of Insurance Agents.

Miss Kleiman Heads Librarians

PHILADELPHIA—Miss Pat Kleiman, librarian Ohio Farm Bureau Corporation, Columbus, was elected chairman of the insurance group of the Special Libraries Association at the anmual meeting here. Vice-chairman is Mrs. Evalyn F. Andrews, Insurance Library of Chicago, and secretary, Miss Helen M. King, Provident Mutual Life. M. A. Linton, president of Provident Mutual, gave an address "Social Se-curity—Today and Tomorrow."

Medical Bills Inflated

A tendency on the part of claimants ander automobile medical payments coverage to present inflated doctors' bills is noted by casualty claim departments. Occasionally this is done by the familiar device of enlarging a proper bill by converting an \$8 charge, for into \$18, but more frequently the claimant undertakes to clean up an old account by getting the doctor to pres-ent a bill for treating the new injuries that will cover old, unpaid bills as well.

Recalls 1904 Study of Commerce Question

Attorney Charles S. Moore of Washington has this reminiscence of a study 40 years ago of the question whether insurance is commerce:

"When I first came to Washington and took a law position under Garfield and the bureau of corporations of which he was the commissioner, I spent two years studying the insurance laws of various states preparing an epitome of same with a view of federal supervision of insurance if we concluded after our study of the law and ruling of the courts study of the law and ruling of the courts affecting same to go on but after our two years work on this doubtful question at that time (1904) we finally decided that insurance was not commerce within the meaning of the Sherman anti-trust law and the decisions of the courts, we discontinued our work and took up other trust investigations which was carried on after the bureau was merged into the federal trade commis-

"I always felt that there might be a change in the minds of the members of the Supreme Court on that question and, of course, the present membership or the majority of it is definitely in ac-cord with the decision just rendered."

Opposition to Party in Power Urged by William H. Wiley

President of Connecticut Agents Association Advocates Action at Hartford By RALPH E. RICHMAN

HARTFORD - At the mid-year meeting of the Connecticut Association of Insurance Agents here Tuesday President William H. Wiley advocated active opposition to the present national administration in the fall election. He said a new federal administration would give insurance at least a fighting chance to continue its service without severe government interference.

Both President Wiley and a special committee appointed to consider the advisability of employing a full time paid secretary recommended this procedure at the close of war. Edwin S. Cowles, Jr., Hartford, chairman of the special committee on the subject, reported that 20 states now have paid secretaries. His committee estimated that about \$8,000 wolud be required annually to provide full time secretary service including all expenses. Future meetings will conmeetings will consider the proposal.

Predicts 18,000 Membership

Leonard F. Whelan, Greenwich, state national director reported that there was an excellent chance that the National association membership would reach 18,000 this year. He said the Supreme Court decision would encourage any agents now outside the association to join it. Membership Chairman Lloyd W. Whitney, Winsted, predicted Con-necticut association membership would

necticut association membership would pass 500 this year.

An analysis of the Curtis Publishing Company's survey of the public's insurance attitude was presented by Henry L. Bailey, Jr., Groton. Mr. Bailey said it was evident that agents have done a better job selling insurance than they have in selling themselves. The survey disclosed many reasons supporting the public educational program of the Na-

disclosed many reasons supporting the public educational program of the National association, he concluded.

Roy A. Duffus, Rochester, N. Y., in an address on "War Time Strategy in Insurance," said that one-half of all those in insurance educational classes are now women. Last year only one-third were women. In New England, educational classes are now being held only in Manchester, Nashua and Portsmouth, N. H. One way to learn the mouth, N. H. One way to learn the insurance business is to list all the mis-

takes made by the other agents and then avoid them, said Mr. Duffus.

George Goodwin, deputy insurance commissioner, expressed the greetings of the department in the absence of W. Ellery Allyn, commissioner, who remained over in Chicago after the commissioners meeting to attend the Re-publican national convention. Mr. Goodwin stated that his department planned to issue an agents manual designed for study by those called upon to take the state license examination.

National Board's Plans

"The public relations program of the National Board of Fire Underwriters centers around the local agent," said Peter J. Berry, president Security of New Haven and secretary of National Board. "All that is necessary," he de-local "in to get before the people what Board. "All that is necessary," he de-clared, "is to get before the people what the fire insurance business is doing and has done for many years. Activities of the business must be related to the

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Henry Carter Cites Trends in London Reinsurance Market

Likes Tendency to Base Coverage on Business of a Specified Department

NEW YORK-There is a growing tendency, and a sound one, to write excess of loss reinsurance so that it covers "business written in such and such a department" rather than attempting to define the coverage by type of risk or by location, according to Henry Carter, chairman of the United States board of Caledonian. Mr. Carter delivered the closing lecture in the reinsurance course sponsored by the Insurance Society of New York.

Mr. Carter recalled from his experi-ence as an arbitrator an extreme ex-ample of the confusion that can arise when a ceding company uses a term in a different sense from the way it is understood by the reinsurer. In this case derstood by the reinsurer. In this case the direct-writing company called a bankers blanket bond an inland marine policy and relied on its excess of loss contract to cover these policies. It was a difficult case to decide because both parties had acted in perfect good faith.

If after the war the American com-panies expand their business into the overseas field it will be even more im-portant to reinsure on the basis of business written by the fire department and not according to the risk's location, since 90% of it may be in the United States and 10% in Cuba, for example, Mr. Carter pointed out.

Discussing trends in London, Mr. Carter said that a development, particularly in the casualty field, is to set up sort of an internal reinsurance fund up sort of an internal reinsurance fund out of which the heavier losses are spread over several years. There is also a tendency for a company to take for itself a line of its first line treaty. In placing a treaty it is obviously quite a sales point to be able to say "I am prepared to hold a line, in addition to my retention, equivalent to yours." It is also good business for the ceding company, as it is the practice of British companies to see that their reinsurers make a profit and by taking a line in addition to their retention they participate in this profit.

mr. Carter also remarked on the trend in England in arbitration cases to have the third man or umpire not be an insurance man but preferably a law-yer, competent to weigh evidence and documents, since it is very difficult for an insurance man to come into a dis-pute with an entirely open mind. Many recent reinsurance treaties provide that the umpire must be a senior prac-ticing member of the bar. This insures having the very highest type of lawyer as umpires. an insurance man but preferably a lawas umpires.

Believe Hobbs Bill Dead

WASHINGTON-The Hobbs bill to WASHINGTON—The Hobbs bill to prohibit use of the mails by insurance companies not complying with state laws is believed definitely dead. Twice, recently, the Weiss House post office subcommittee reported scheduled to take it up, did not do so.

Loy E. Sackett, Travelers investigator, St. Louis, died suddenly. He had been with Travelers since 1926.

To sell accident and health insurance use "Why Disability Insurance Is a Good Investment for You" booklets. Write National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill., for samples.

S.W.P.C. Is Much **Concerned Over** Insurance Problem

D.P.C. Subsidiary Is Considering Three Schemes for Handling Risk

WASHINGTON - Officials of Smaller War Plants Corporation are considering a 3-pronged problem in connection with insurance of machinery and equipment in some 500 smaller war The question is whether the corporation, which is government owned and controlled, should (1) act as selfinsurer like many other branches of the government do, (2) obtain blanket coverage for its property installed in the plants or (3) continue to operate on the old basis of individual coverage for machinery and equipment in the numerous respective plants.

At present, it is understood, SWPC directors have before them a proposal to abrogate commercial insurance on the corporation's property, based on the suggestion that the present insurance arrangements are paradoxical in view of wide distribution of war risks involved.

experience has not been bad, according to officials of the corpora-tion, and insurance coverage on its tion, and insurance coverage on its property in plants operated by lessees of the corporation has cost the lessees, in the aggregate, a large amount of money. The question in the minds of corporation officials is whether the government-owned property involved is properly insurable in the commercial market.

Nachtrieb Is in Charge

In charge of insurance matters in SWPC is Robert F. Nachtrieb, acting controller of the corporation.

SWPC inherited an insurance program from RFC upon the inauguration of the former. Officials said SWPC of the former. Officials said SWPC used the same underwriters, same policy forms, same loss agreements and same practices as were required by Defense Plant Corporation before SWPC took over.

took over.

It was said by some officials to be substantially correct that Defense Plant asked Factory Insurance Association and Associated Factory Mutuals to take the SWPC insurance business on the same basis they had for DPC, but that premiums were small, the business scattered and expensive, and liabilities were complicated and annoying. The were complicated and annoying. The result was that F.I.A. and the factory

were complicated and annoying. The result was that F.I.A. and the factory mutuals asked to be relieved of the job. At the present time, according to Mr. Nachtrieb, the SWPC aim, if it can be accomplished satisfactorily, is to cover risks in smaller war plants with a single blanket policy. Only machinery and equipment—no buildings—are involved. He explained SWPC never has a "great deal in any one plant,"—a few machines or other equipment.

few machines or other equipment.

When SWPC was set up, Mr. Nachtrieb stated, each lessee of equipment was required to maintain insurance on such equipment in the plant operated by lessee. Coverage was obtainable by lessee. Coverage was obtainable, said Mr. Nachtrieb, from the factory

He said the factory mutuals have not taken many risks, finding that many risks are substandard. "F.I.A. has been willing to take any risk we have," Mr. Nachtrieb said. "They have not turned down aw." down any.

The arrangement, however, "developed into a terrific administrative probhe said. Hundreds of plants were involved with respect to fire, public liburden upon the corporation and its lessees." If blanket coverage could be satisfactorily obtained, he said, it would

satisfactorily obtained, he said, it would greatly simplify the situation and reduce costs.

Philip Baldwin, secretary National Association of Mutual Insurance Agents, is reported to have protested SWPC policy with respect to insurance, as did, recently, the New Jersey Association of Mutual Insurance Agents.
The SWPC insurance arrangements

The SWPC insurance arrangements have been complicated, according to Mr. Nachtrieb. After a lease from the corporation is signed and insurance is placed, he said, "the whole thing is turned over, by law, to DPC to administer and service. Insurance policies have been transferred to DPC. In some cases policies written by lessees some cases policies written by lessees contrary to insurance instructions of SWPC, have been rejected by DPC and returned to lessees."

returned to lessees."

Individual companies were in no position to spread the risk, Mr. Nachtrieb said. DPC is said to have insisted SWPC policies must be written with underwriters who can in turn distribute the risk. Mr. Baldwin is reported to think mutual agents will be discriminated against

inated against.

SWPC started investigation of possible blanket insurance coverage some time ago, it is stated. Blanket coverage would be "decidedly to the advantage of the lessee and the taxpayer," according to Mr. Nachtrieb. Work is understood to be proceeding on an arrangement similar to DPC's in connection with rent projects and program. inated against. SWPC start with rent projects and program.

Blanket Arrangement

A blanket arrangement for SWPC properties under which knowledge and experience of RFC and DPC can be utilized would result in low administrative cost, in Mr. Nachtrieb's opinion. Groundwork is being prepared to carry out such a plan if eatisfactory arrangements. out such a plan if satisfactory arrangements can be made, he indicated. If not that, then self-insurance may be decided upon.

The rate is not the major factor, he says. He considers it important, however, to reduce and eliminate complications in which SWPC lessees get

tangled up.
F.I.A. has placed fire, windstorm and ordinary standard coverage on SWPC properties, it is stated. Public liability risk is described as "remote" by Mr. Nachtrieb. He expressed doubt such coverage would be continued.

is pointed out that SWPC is the red; not the lessee. SWPC re-

msured: not the lessee. SWPC reserves its right to designate type of insurance, amount, company, etc.

Eighty-five percent of individual SWPC coverage has been for insurance of less than \$50,000 in any one place, Mr. Nachtrieb stated.

Big Conscience Fund Donation

NEW ORLEANS - Royal Exchange's conscience fund has received change's conscience fund has received more than \$5,000 from a man who made restitution through a Jesuit priest in New Orleans. The priest handed over the money to A. G. Blacklock, Louisiana state agent for Trezevant & Cochran, who are general agents for Royal Exchange.

Rauland P. Smith has returned to his post as treasurer of the Walter F. Smith agency of Trenton after a period of service as a naval reserve lieutenant in Guatemala and Washington.

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Commercial Marine Cover on Billion in Foreign Purchases

Fifteen Brokers Handle Insurance Under Vast **Buying Program**

WASHINGTON - Marine insurance covering most U. S. government purchases abroad for importation into the U. S. is being placed in the commercial market by the Foreign Economic Administration, with the result of helping to maintain the marine insurance market. Estimated value of all strategic materials and commodities procured abroad under the public purchase pro-

materials and commodities procured abroad under the public purchase program is close to \$1 billion per year.

This insurance is placed through the FEA affiliate, the U. S. Commercial Company, a Delaware Corporation owned and controlled by the government and headed by Leo T. Crowley, FEA Administrator, through some 15 brokers. It is stated that they were selected in two ways. First, the Reconstruction Finance Corporation asked underwriters, some time ago, to name 10 brokers who had the largest share of import business. Five of those heading the list were awarded RFC insurance business. Secondly, the Commodity Credit Corporation, another government setup, prepared a list of 10 more brokers. U. S. Commercial, a former RFC subsidiary, is utilizing the services of all 15 of these brokers, it is stated. It negotiates policies in Washington, but much of this insurance business is handled at the New York office of FEA, which is moving to 61 Broadway.

U. S. Commercial, it is stated, has taken over responsibility for virtually all government purchases abroad for import, except rubber, which is handled by Rubber Development Corporation, and sugar imports, and food from Canada, handled by Commodity Credit Corporation. Most Commodity Credit Corporation. Most Commodity Credit Corporation foreign purchases for the Agriculture Department are now included in U. S. Commercial's scope.

U. S. Commercial's import operations are under the foreign procurement and development branch and the office of food programs of FEA. During its buying operations the government becomes exposed to certain risks. From the marine insurance angle, these are covered as above indicated, through the insurance section of FEA's transporta-

the marine insurance angle, these are covered as above indicated, through the insurance section of FEA's transportation division.

Heading that division is Arthur Gardiner, formerly president of Booth

WANTED NOW YOUNG LADY

For post war position in aviation insurance. Excellent salary and working conditions.

ASSOCIATED AVIATION UNDERWRITERS A1008 Insurance Exchange Building Wabash 1040

CHICAGO

Desire services of fire underwriter familiar with South and Southwest territories. In replying, submit full information addressed to G. S. Yeargan, Vice President, Trinity Universal Insurance Company, P. O. Box 5028, Dallas, Texas.

EXPERIENCED PROOF CLERK

for Western department of large fire insurance group. Give complete details and salary expected. Address W-15, care The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

American Shipping Corporation, which operated to South America and around the world, in which capacity he acquired considerable experience in insurance matters.

E. J. Smith Heads Insurance

Under Mr. Gardiner's supervision is Under Mr. Gardiner's supervision is the insurance section headed by Edward J. Smith, formerly with Frank B. Hall, New York insurance broker. Mr. Smith has been "loaned" on a part time basis by RFC, having been connected with its insurance division for some time. Eventually, Mr. Smith is expected to go on a full time basis with FEA.

Expansion of the FEA insurance set-

up and work is expected. At present, there is a vacancy at the head of its New York insurance branch office.

FEA marine insurance covers imports from warehouse to warehouse, Mr. Gardiner stated. Generally speaking, it takes over, f.o.b. ship at foreign seaport, there being no exposure, as a rule, up to that point, in foreign countries, it is understood.

FEA is also interested in other forms of insurance in connection with its foreign purchase and import operations. It

is working with AIUC on a policy to cover liability to third parties in foreign countries throughout the world. While details are not yet worked out, officials

indicate coverage will be taken out with the cooperation of AIUC.

No workmen's compensation is provided by FEA for its employes, but it is explained that they are taken care of in this respect, both at home and abroad, under the U. S. employes compensation law. pensation law.

Buys Fidelity Bonds

Through U. S. Commercial, FEA buys fidelity bonds for many of its 4,500 employes located in U. S. and at points from which it imports strategic and other materials and supplies.

U. S. Commercial's buying operations

(CONTINUED ON PAGE 17)





Bill Mallory over at the First National called me up today and dropped a big chunk of gratitude into my lap. In fact, he was so pleased, that I felt like asking him to OK a good sized slow note.

The reason for this exuberance was the fact that yesterday I delivered a check for a loss under a Business Interruption policy to Sid Gibson, President of the Gibson Knitting Mill.

Both Bill Mallory and I knew that Sid had been doing all right, even though he was pinched for capital. But when he wanted to get a pretty big loan from the First National. Bill called me in to look over the insurance.

We jacked up the amount of fire and extended coverage and, in the face of plenty of argument, I insisted on Business Interruption Insurance. Well, a fire—and a good big one—came along and just about wiped out everything belonging to the mill-building, machinery, raw materials and finished products.

Both Sid and Bill now admit that I had the right idea and that Business Interruption Insurance saved the knitting mill from folding up and kept Bill from chalking up a bad debt for the bank. In addition, Sid, Jr., will stay in

Yes sir, it's good to be an Insurance Agent.











NEWS OF FIELD MEN

Blue Goose Grand Nest to Meet in Denver Aug. 22-24

Tentative plans have been started by the Colorado Blue Goose in cooperation with the grand nest for a grand nest meeting in Denver Aug. 22-24. Notice is being sent to the various ponds that a streamlined annual meeting has been decided upon this year. Because of war conditions and travel restrictions, there will be no planned entertainment and the attendance will be limited to the del-egates and officers. Last year the regular annual meeting was dispensed with and the grand nest officers held a purely business meeting in Milwaukee. With an accumulation of two years' opera-tions and action to be considered on current and post-war matters, the grand nest officers decided to call an annual meeting of a strictly business nature this

E. T. Belaner New Head of West Virginia Pond

At its annual meeting at Wheeling, the West Virginia Blue Goose named the following officers: E. T. Belaner, Scottish Union, most loyal gander; Chas. H. Kahrs, London Assurance, supervisor; F. C. Cambell, Farmers of York, custodian; T. J. Beagan, National Union, guardian; Don E. Wilson, Automobile, keeper, and V. K. Smith, Norwich Union, wielder. mobile, keeper, and V. K. Smith, Norwich Union, wielder.

After the meeting a golf tournament

followed by a dinner was held at the Belmont Hills Country Club.

Campbell Special Agent in Iowa for Continental

Glenn H. Campbell, who was with Inter-Ocean Reinsurance at the head office for 13 years, has been appointed special agent in Iowa for Continental, American Eagle and First American,

special agent in Iowa for Continental, American Eagle and First American, assisting John W. Hull, state agent. Offices are in the Des Moines building, Des Moines. Mr. Campbell is a graduate of Coe College, Cedar Rapids. John W. Lenchan, state agent of First American and Niagara Fire, has entered service, and John W. Hull has been named state agent to succeed him for First American. State Agent W. H. Brode is handling Niagara Fire.

"P.P.F." Is Title of Play for New Jersey Field Men

NEWARK—The 150th regular meeting of the New Jersey Field Club will be held June 26 and will feature a one act comedy, "P.P.F.", written for the occasion by H. W. Kohler, America Fore. The meeting, the last of the season, will be a dinner instead of the

son, will be a dume.
usual luncheon.
The cast of "P.P.F." includes G. H.
Martin, New York Underwriters, the inMartin, New York Underwriters, the inMartin, New York Underwriters, the inMartin, New York Underwriters, the insured; George Reynolds, America Fore, special agent, and Clem Fortman, Fireman's Fund, agent. The script deals with sales problems in connection with the personal property floater, which was recently authorized in the state.

Dubuque Names Hall and Fowle

Dubuque F. & M. and National Reserve have appointed J. Ross Hall eastern regional supervisor, with offices in the Union building, Plainfield, N. J. Mr. Hall has been with Dubuque about

25 years in the eastern field.

George H. Fowle has been appointed state agent for eastern Pennsylvania. Mr. Fowle has had many years experience with the Pearl group in the Pennsylvania territory. He will have offices at 145 Colonial avenue, Pitman, N. J.

W. F. Ohl Heads New York Pond of Blue Goose

NEW YORK-W. F. Ohl, Jr., of Newark, special agent of Home, was advanced from supervisor to most loyal gander of the New York Blue Goose, succeeding R. C. Williams, assistant general adjuster of North British. Grand Custodian P. M. Winchester

expressed the highest appreciation of the fine job done by "Dick" Williams as most loyal gander and said that "we have never had a better one." The ovation which Mr. Williams received elo-





R. C. Williams

W. F. Ohl. Jr.

quently confirmed Mr. Winchester's appraisal.

The annual meeting, which was held at Maplewood Country Club at the con-clusion of the annual outing was very well attended.

The other pond officers were also advanced a notch, the new lineup being: Supervisor, W. T. Murphy, manager Fire Companies Adjustment Bureau, Newark; custodian, G. H. Martin, Newark, state agent New York Underwriters; guardian, F. W. Hoops, Firemen's, Newark; keeper, G. A. Dietrich, and wielder, J. B. Quisenberry, assistant general adjuster Royal-Liverpool, New York

As its delegates to the grand nest convention the pond chose Mr. Williams, R. F. Moore, New Jersey state agent of Boston and Old Colony, who preceded Mr. Williams as most loyal gander, and W. T. Murphy. Ordinarily the incoming most loyal gander would have been a delegate but he would be unable to be away at the time of the meeting.

The new officers were installed

Mr. Winchester.

A feature of the meeting was the pres-A teature of the meeting was the presentation of inscribed scrolls to the past most loyal ganders who were present, they being S. A. Mehorter of McDaniel, Maser & Co.; E. W. Dart, Schiff, Terhune & Co.; F. L. Bross, New Jersey state agent of Yorkshire, and Messrs. Moore and Winchester.

The pond has added 58 new members.

The pond has added 58 new members in the year and now stands at an all time high of close to 400.

Golf Tournament Winners

Wielder Dietrich won the most loyal gander's trophy for low gross score in the golf tournament. Winners in the kickers' handicap were E. Scott Hale, assistant secretary of American, first; Wilfred Garretson, F.C.A.B. (retired), R. F. Moore, Boston, third; and R. P. Crawford, Newark, Glens Falls. Samuel Cronin, Academy Auto Sales and Walter Emely, Insurers Adjustment Company, won the awards for high

G. S. Jones, F.C.A.B., New York, won the special award offered by Most Loyal Gander Williams. Other winners of various awards included Joseph Gillece, National Board; Mr. Cronin; C. J. Kannair, F.C.A.B., Boston; P. M. Winchester, assistant general manager eastern department Fire Companies Adjustment Bureau; William Padberg, Jr., Under-

writers Salvage, New York, and Frank Lonergan, also Underwriters Salvage. J. F. Luehs, Pacific Fire, New York City, won the quoits contest.

Kansas SWIS Meet July 6

The Kansas SWIS evaluation committee will meet in Wichita July 6 to Wide Operations screen a large number of inspection reports and make new assignments for Are Successful

Moe Heads Oregon Blue Goose

Waldemar J. Moe, Fire Companies Adjustment Bureau, was advanced to most loyal gander at the annual meeting of the Oregon Blue Goose. Other officers are: Harold Larson, Seeley & Co., supervisor; John E. Meeke, formerly Fireman's Fund special agent, on local agent in Hillshope Ore Curmerly Fireman's rulid Special agent, now local agent in Hillsboro, Ore., custodian; Jack C. Neer, adjuster, guardian; Keith Rhodes, Home, keeper; Nathan Lakefish, Oregon Insurance Rating Bureau, wielder. The business Nathan Lakefish, Oregon Insurance Rating Bureau, wielder. The business meeting was followed by golf and a banquet.

Ill. Pond Annual Meeting

The election of officers of the Illi-Blue Goose at the annual meeting in Chicago Monday went off as sched-uled. E. M. Eichenberger of Royal suculed. E. M. Eichenberger of Royal succeeded Don C. Campbell of America Fore as most loyal gander. Life memberships were voted John Bauer, retired field man of Royal Exchange, and W. K. Maxwell, retired vice-president of Hangar The past m.l.g. emblem of Hanover. The past m.l.g. emblem was presented to Rodney D. Wiley, Illinois state agent of Atlas, and to Mr. Campbell.

James E. Guy, America Fore, handled the memorial service, and Dan J. Har-rigan, St. Paul F. & M., the installa-tion of officers. The weekly luncheon which were begun during the past year will be continued.

Johnson Heads Smith Puddle

The Dan T. Smith puddle of the Blue Goose, Springfield, Ill., has elected H. L. Johnson, Great American, bullfrog; G. R. Dillman, Continental, tadpole, and J. L. Woell, croaker. Golfers for the Illinois pond tournament were O. H. Sturgeon, Pearl, and M. B. Olsen, Northwestern National, with E. D. Smith, Fidelity-Phenix, as alternate.

North Dakota Field Men Elect

At the annual meeting of the North Dakota Underwriters Association in Fargo, the following officers were elected: President, C. H. Christensen, state agent Great American; vice-president, Robert Ellis, special agent Fire-man's Fund; secretary, S. G. Mason, state agent L. & L. & G. The North Dakota Fire Prevention

Association elected as president Ray B. Swanson, special agent of Home; vice-president, Robert Ellis, and secretary, R. J. Klinkenborg, state agent. Nor-Klinkenborg, state agent, Norwich Union.

Elect in Seattle Friday

G. Emory Moore, Fireman's Fund, is slated to succeed Bruce Parker of Parker & Huff as most loyal gander at the annual meeting of the Seattle Blue Goose June 23.

The meeting will be preceded by the traditional golf match for the Lee Mc-Kenzie Memorial Cup.

Chicago Adjusters' Outing

More than 90 took part in the outing and dinner of the Adjusters Association and dinner of the Adjusters Association of Chicago at Itasca Country Club. Low net winner was Roger Simpson, Underwriters Adjusting and low gross, John Galloway, Western Adjustment. The committee consisted of W. J. Colford, Wagner & Glidden, and W. J. Toole, Underwriters Adjusting.

The Sunflower Blue Goose puddle at Wichita held a special luncheon meeting Monday, honoring Mrs. Ada V. Doyle, president of the National Association of

COMPANIES

L.&L.&G. 1943 World

Liverpool & London & Globe showed a world wide underwriting profit in 1943 of 7.7% on fire insurance operations, compared with a profit of 8.78% on net

The company's net premiums written in 1943 totaled £3,905,437, compared with £3,705,732 in 1942, increase £199,705. The expense ratio in 1943 declined 3.2% from the 1939 ratio, according to Chair-man P. R. England. He said there had been a material reduction in fire wastage in Britain coincident with the property fire prevention campaign carried out by fire offices in conjunction with governmental departments.

U. S. Conditions Difficult

He said conditions in the United States have been difficult but there has been a slender margin of profit where many other companies have been less fortunate. In the general foreign field, fire premium income has increased.

fire premium income has increased.

The company showed 1943 accident premiums of £5,018,075 down slightly from the £5,045,721 for 1942. Underwriting profit in 1943 was £501,877, compared with £527,978 in 1942. The number of road accidents did not decline in proportion to the restriction in use of civilian vehicles, Mr. England noted.

Marine department premiums totaled £1,320,746 in 1943, down from £1,733,848

ft,320,746 in 1943, down from £1,733,848 in 1942. There was an underwriting loss of £68,785, considered moderate under the circumstances. There has been a very substantial improvement in the position at sea, Mr. England com-mented, and this is reflected in impor-

North America Advances Three

North America, Alliance and Philadelphia F. & M. have elected F. C. Bird, E. H. Ryan and H. R. Heilman assistant secretaries.

Mr. Bird joined the company at the head office in 1913, later going to the Pacific Coast department and in 1932 to the western department in Chicago. In 1941 he returned to the head office as underwriter in the inland department.

Mr. Ryan has been with North America since 1924, first as an engineer America since 1924, instead as an engineering in the western department, and six years later transferring to the head office as an underwriter. Mr. Heilman's in the fice as an underwriter. hee as an underwriter. Mr. Helimans association with the company began in 1925 at the head office. He went to New York in 1927 and later on was in the Pennsylvania field until 1941 when he joined the fire underwriting department at the head office.

Auto Registrations in 1943

WASHINGTON - Nearly 4,000,000 motor vehicles went out of use in 1942 and 1943 and have not been replaced, according to the public roads adminis-tration of the federal works agency. In 1943 private and commercial vehicle registrations totaled 30,499,608, a decrease of 6.4% from 1942. The all time high was 34,461,018 in 1941.

high was 34,461,018 in 1941.
Private passenger cars registered in 1943 numbered 25,912,730, 7% lower than 1942. Largest decreases in registration were in the east. The District of Columbia, New York and New Hampshire showed decreases of 14.8, 12.7 and 10.9%, respectively.

Insurance Women, and the officers and executive board who are in Wichita this week for their annual meeting.

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Yield Test for **Bonds Made Six** Points More Severe

The yield test for determining whether bonds owned by insurance companies shall be amortizable in the annual statements rather than being entered at market value is made more severe in the report of the committee on valuation of securities that was approximately appro on valuation of securities that was approved by the National Association of Insurance Commissioners at its annual meeting in Chicago. It had been the announced purpose to make the yield test more severe each year and hence the new requirement was accepted without discussion. out discussion.

out discussion.

For purposes of the reports covering 1943 operations, the yield test required that the bonds have a yield to maturity on the basis of Dec. 1, 1942, values of 6.40% and on Dec. 1, 1943, of 6%. In the statements covering 1944 operations, the bonds must meet a yield test of 6% on Dec. 1, 1943, and of 5.40% on Dec. 1, 1944. 1, 1944.

Types of Bonds Affected

Types of Bonds Affected

The securities to which this test applies are all corporate bonds and all special revenue bonds of any state or political subdivision that do not rate triple B or better with any two recognized rating agencies. Bonds that enjoy such a rating are amortizable. The yield test is technically 3.50% plus the yield for comparable maturities of fully taxable government Treasury obligations. The latter being 2.5%, the result is 6%. For Dec. 1, 1944, the test is 2.90% plus government bond yields, which again are expected to be very close to 2.5%. Thus the yield test is six percentage points more stringent this year.

Another change is to set up specific requirements.

Another change is to set up specific requirements for valuation of stocks of insurance companies, for deductions from admitted assets on account of inter-ownership of insurance company stock, for valuation of stock of a subsidiary other than an insurance com-

It is provided that the stock of an insurance company, It is provided that the stock of an insurance company shall be valued at its book value as shown by its latest annual statement or the last report on examination, whichever is more recent. examination, whichever is more recent. The book value of a share of common stock of an insurance company shall be ascertained by dividing (a) the amount of its capital and surplus, less the value of all of its preferred stock, if any, outstanding, by (b) the number of shares of its common stock issued and outstanding. Notwithstanding the foregoing provisions, an insurer may, at its option, value its holdings of stock in a subsidiary insurance company in an amount not less than acquisition cost if such acquisition cost is less than the value determined as hereinbefore provided.

Reserves Are Excluded

In applying this formula the surplus shall not include required reserves.

As to deductions from admitted assets on account of interownership of insurance company stocks it is provided: "Stock of the company itself, owned by it, or any equity therein or loans secured thereby, or any proportionate interest in such stock through the ownership of such company of an interest in another firm, corporation or business unit shall not be an admitted asset."

As to the valuation of stock of a sub-

As to the valuation of stock of a sub-sidiary other than an insurance company

sidiary other than an insurance company it is provided:
"The stock of a subsidiary of an insurer shall be valued on the basis of the value of only such of the assets of such subsidiary as would constitute lawful investment for the insurer if acquired or held directly by the insurer."

Then there is a section captioned "Determination of amortized values of bonds received under reorganizations,"

which is a new feature. It provides:

"The amount entered in the actual cost columns of Parts I and II, of Schedule D, for bonds and other securities received in exchange under reorganization, shall be based on the actual market quotation on such bonds and other securities at the time of acquisi-tion of such bonds and other securities."

Fraternals Voice Objection

At the meeting of the valuation of securities committee over which Har-rington of Massachusetts presided, this latter provision was the only one that evoked discussion.
J. M. Fitzsimmons, Modern Wood-

men, speaking for the National Fraternal Congress, expressed objection to giving retroactive effect to that pro-vision. He said the necessity of using market values at the time of acquisition of refunding obligations might lead to of refunding obligations might lead to sharp reduction in the surplus of some insurers. The fraternals, he pointed out, are heavy investors in municipal bonds. For instance, Modern Woodmen has 35% of its assets in these securities whereas the Life Presidents companies as of Dec. 31 had only 3½% in municipals.

As an example of the effect. Mr.

As an example of the effect, Mr. Fitzsimmons pointed out that Detroit defaulted on its general obligations Feb.

15, 1933, and the refunding issues that were brought out sold at \$85 in 1934. The market value of those bonds today

is \$130.

Mr. Harrington stated that the subcommittee had heard all the evidence
and that this objection had not been advanced previously and L. A. Griffin, executive secretary to the committee, declared that he had heard no objection
from the N.F.C. Mr. Harrington said
that it was the general understanding
that this requirement would be retroactive.

The committee appended a final paragraph stating that the subcommittee had given careful consideration to obliga-



NATIONWIDE Binding Facilities

With teletype service connecting our major offices throughout the nation, the multiple-line underwriting facilities of the Fireman's Fund Companies are instantly at your command. A broker in New York asked us to insure, as quickly as possible, merchandise stored on the Pacific Coast at Portland. The line was fully covered in five minutes. An agent in Oakland, California, needed coverage on a Business Interruption risk in Chicago. This line was insured in three minutes. The close-knit multiple-line underwriting facilities of Fireman's Fund are available to agents and brokers wherever located.

Fire · Automobile · Marine



Casualty · Fidelity · Surety

Fireman's Fund Insurance Company Fireman's Fund Indemnity Company Home Fire & Marine Insurance Company Western National Insurance Company Western National Indemnity Company

ers and

tions secured by mortgages or deeds of Ill. Governor Urges in oil producing properties in this country on which there are operating oil wells. It was decided that for the purposes of the book of valuations of securi-ties no change should be made in the treatment of such securities

Hold Forum in Long Beach

LONG BEACH, CAL.-Joseph Kesler was in charge of a panel discussion on "Office Practice and Producer" held by the Long Beach Insurance Association. John L. Kelly talked on "Expiration Control"; Ray Underwood on "Collections". Lord Painteen "Society "Collections"; Lloyd Boivin on "Special Application Forms," and Myrl Ott on "Accident Report Control System."

Harrison Montgomery Head

James M. Harrison was installed as the new president of the Montgomery the new president of the Montgomery Real Estate & Insurance Exchange at the annual meeting. Junius B. Smith is vice-president, and Miss Annalu Jones was reappointed secretary. The Montgomery Exchange is in charge of arrangements for the annual meeting of the Alabama Association of Insurance Agents to be held in Montgomery



FURRIERS CUSTOMERS INSURANCE-All Risks

The CHARTER, OAK, FIRE INSURANCE COMPANY ~ HARTFORD, CONNECTICUT.~

ONE OF THE TRAVELERS COMPANIES

Insurance to Carry State's Banner

The greatest test of state supervision is at hand, Governor Green of Illinois declared in his banquet address at the annual meeting of the National Associaannual meeting of the National Associa-tion of Insurance Commissioners in Chicago. The issue, he said, reaches far beyond insurance. There has been a re-lentless advance of federal control and regimentation over labor and manage-ment, agricultural and finance. The leaders in the insurance industry must save insurance from federal domination and in so doing can provide a priceless and in so doing can provide a priceless example of the beneficial aspect of local and state government in a period when such an example is needed.

State supervision now stands in the clear light of public opinion, he declared. By the excellence of its work and the protection it gives the policyholder, it must win and retain his devoted and militant support "and by doing so halt the dangerously broad march of centralized government and give impetus to the fight of the states to regain petus to the fight of the states to regain and retain their constitutional rights."

\$44 Billion of Assets

Men grasping for political influence and perquisites, Governor Green as-serted, are aware of the power that lies in the control of \$44 billion of insurance assets. An additional danger are the schemes of federal insurance and cradle

to grave plans.
Insurance should not remain idle and Insurance should not remain idle and await the deadening hand of federal control, Governor Green said. Nor does solution lie in condemning those who seek federal legislation. Despite the excellent record of state supervision, it must be improved. What must be done is to continue improving protection afforded the policyholder and to simplify insurance policies and regulations. Each unfair or outmoded practice which alieninsurance policies and regulations. Each unfair or outmoded practice which alienates the policyholder gives an excuse for federal regulation, he said. Every unpaid claim and dissatisfied person strengthens the contention for federal control. "Harsh and captious discrimination in certain extress against reputcontrol. "Harsh and captious discrimination in certain states against reputable companies seeking admission to those states must be terminated."

Those familiar with the Illinois situa-

tion thought that Governor Green was alluding in the quoted sentence to two or three current issues such as the bat-tle of State Farm Mutual Automobile of Bloomington, Ill., is having with the Wisconsin department and the courts there over its operations in that state and the inability of Allstate of Chicago to get a Massachusetts license.

Home State Solutions

For 75 years, the policyholder, company officer and insurance commissioner have built up a close and invaluable relationship, he said. They have become accustomed to meeting together to discuss their problems in their home state. The commissioners have been accessible to and familiar with the needs of policyholders and company officers. There has been a high degree of efficient administration of insurance laws.

The insurance laws.

The insurance industry has the right to seek rehearing of the S.E.U.A. case he declared, but the eventual result can depend largely on the sentiment of the people. The battle is against centralization of government and unless it is won 'freedom of enterprise will perish in this nation just as surely as it has under the totalitarianism of the criminal overlords of the Axis."

Insured Mail Rates

WASHINGTON-The House this washington—The House this week passed the Ward bill to fix fees of insured and collect-on-delivery mail. The bill, as recommended by the House post office committees, reduced drastically insured mail rates from the present scale.

New Tax-Exempt Form Now Ready; Aug. 15 Deadline

WASHINGTON—Aug. 15 has been set by Internal Revenue Commissioner Nunan as deadline for filing of informa-tion returns under the 1943 revenue act, by tax-exempt organizations reporting for the calendar year 1943 and for fiscal years ending on or before April 1, 1944. Included are certain mutual com-panies, benevolent life organizations, certain types of teachers retirement and

employes' beneficiary associations, various insurance organizations, bureaus and associations and other organizations not operated for profit.

Specifically exempt from filing infor-

mation returns, however, are fraternal societies as well as religious, educational and charitable organizations certain conditions.

Copies of Form 990 for filing informa-tion returns may be obtained at internal revenue collectors' offices.

Specific Information Required

Specific information is required regarding income and expenditures. Or-ganizations reporting income from rents, it is announced, must furnish a classified balance sheet showing assets and liabili-

Using Form 990, in the case of group organizations, the parent organization must file return of income and expenditures. In the case of local branches, returns may be made by the local or by the central organization at the former's request for the group.

the central organization at the former's request, for the group.

Information returns must be filed, signed "under penalty of perjury". The organizations concerned are asked to report in detail on their activities, changes in articles of incorporation and by-laws, names and addresses of officers in charge of accounts and records. in charge of accounts and records. Returns may be made on a cash or accrual basis, but must be made in accordance with the method of accounting regularly employed in keeping organization ac

Gross income and receipts, disbursements, etc., are to be reported in detail.

Hartford Gets **Prevention Plagues** at Ceremonies

HARTFORD-The victory of Hartford in the 1943 fire waste contest of the U. S. Chamber of Commerce set an U. S. Chamber of Commerce set an example for all cities producing the implements of war, Peter J. Berry, president of Security of New Haven and secretary of the National Board, said here at a dinner given by the Hartford Chamber of Commerce to celebrate the award

Mr. Berry presented to the Hartford Chamber of Commerce the National Board cup, awarded annually to the city which gains the grand award in the fire prevention contest. Hartford also won the cup in 1941. Three victories are necessary for permanent possession of the trophy.

List of Trophies

Several plaques and trophies were

Awards accepted by Mayor Mortensen included the plaque of the U. S. Chamber of Commerce for having led Chamber of Commerce for having led the nation in fire prevention; the trophy of the National Board, of which Hartford can gain permanent possession with one more national success; insignia offered by the National Fire Waste Council, to be worn by individual firemen; and the public health honor roll scroll, awarded to only four New England cities by the health advisory council, U. S. Chamber of Commerce.

The mayor paid tribute to the fire department, the department of building inspection, the health department and

E. A. Roberts Applauds Record of State Guidance

E. A. Roberts, president of Fidelity Mutual Life, in addressing a luncheon session during the convention of the Nasession during the convention of the National Association of Insurance Commissioners in Chicago, sketched the record of insurance in all its branches over the years and in particular its magnificent performance during the war period and pointed out that this has all been done under the guidance of the state insurance supervisory officials.

Mr. Roberts quoted the box car figures that must be used in reporting the

ures that must be used in reporting the premiums and returns to policyholders of the insurance companies in the aggregate and he said that these figures are such as to cause the commissioners to reflect on the responsibility that they have shared with company management.

Paul vs. Virginia Great Aid

When the National Association of In-When the National Association of Insurance Commissioners was formed following upon the Supreme Court decision in the case of Paul vs. Virginia, good working conditions were brought into being and the insurance business was given an impetus which is as responsible as any other factor for its present high estate, he declared.

"A place for private insurance has

"A place for private insurance has been earned in peace and war, in times of depression and in times of prosperity," he declared. The greatest accomplishment of all in this industry has been the continuity with which it has per-formed its normal functions, Mr. Roberts asserted. With thanks to the help-ful and necessary guidance of the insurance commissioners and the abilities found in the business, the industry was geared to war as no other. "There was no period of conversion, its resources men and money were instantly at work.
There will be no period of reconversion.
To assist in a full scale post war job of rehabilitation some broadening of permitted investments may seem wise. If that becomes so we would expect you to be among the first to recognize the fact and to request appropriate changes of your several legislatures."

Bar Association Is Sponsor

The luncheon was sponsored by the insurance committee of the Chicago Bar Association and Samuel Levin, chairman of that committee, presided. He spoke of the interest that lawyers have in the insurance business and in the preserva-

insurance business and in the preserva-tion of state supervision. Ferre Wat-kins, Chicago attorney and head of the liquidation division of the insurance de-partment, introduced Mr. Roberts. Those in the industry, Mr. Roberts said, do not fear federal supervision but there is a feeling of disquietude that confusion will obtain to the point of chaos in delay and indecision an dthat great sums will unnecessarily be added to the cost of insurance under a system of dual supervision. A delineation of to the cost of insurance under a system of dual supervision. A delineation of the federal and state spheres of action and regulation can be worked out ultimately, but it will not be a painless procedure if Congress is unwilling to leave regulation with the state where it has worked so well has worked so well.

other public and private agencies whose

work won the recognition for the city.
Ovations were given Fire Chief John
C. King and John Ashmead, Phoenix of
Hartford, chairman fire prevention committee Hartford Chamber of Commerce. George C. Long, Jr., president, Phoenix of Hartford, was toastmaster.

Richland, Wash., in Benton county, has been reclassified from class 10 to class 7 by the National Board, Hanford, also in Benton county, has been placed in class 6 instead of 10. Both towns have made considerable improvement in fire-fighting facilities.

To sell accident and health insurance use "Why Disability Insurance Is a Good Investment for You" booklets. Write National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill., for samples.

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Opposition to Party in Power Urged

(CONTINUED FROM PAGE 6)

every day wants and desires of individ-ual citizens. There is no general an-tagonism toward the insurance business, and where it does exist it is present be-cause of misinformation. That can be corrected by those in the business if all work together to pass out correct in-formation."

formation."

Mr. Berry decried the lack of authentic spokesmen for the business. He advocated specific statements to meet the misunderstandings which exist based on careful research of the facts of the business and its service to the people. Before long, he said, the National Board would start an enlarged advertising program both in the papers and over the radio. The radio program will use Leland Stowe as a news commentator at gram both in the papers and over the radio. The radio program will use Leland Stowe as a news commentator at 7:15 p.m. each on Saturday evenings beginning July 22. He emphasized that this was only a start in the program finally to be developed.

Polley on Dwelling Form

Arthur L. Polley, secretary, Hartford Fire, said that the proposed new dwelling fire form has not yet been adopted for use in any jurisdiction. The proposed form is designed to simplify the writing of 40% of the fire premiums of the country for both companies and agents, in order to give better service to the public. A prime purpose is to provide uniformity in coverage, so far as that is possible. Forty specific questions about coverage had to be considered in setting up the form. The form now proposed is the fifteenth revision made in the light of examination by insurance men all over the country. He praised particularly the work of Vice-president J. F. Crafts of the Fireman's Fund and President Robert L. Barbour, Northern of England. An effort will be made to bring local rules and regulations into conformity with the policy, rather than vice versa. Where that cannot be done, the policy will have to be modified for the local jurisdiction.

About 100 were present at the meetjurisdiction.
About 100 were present at the meet-

Drop Non-Partisan Stand

The Connecticut Association of Insurance Agents should abandon its non-partisan position in politics and should do everything in its power to help defeat the Roosevelt administration this fall, Mr. Wiley contended in his presidential address.

"We have been confronted in Washington," he declared, "with an administration that for 12 years has been consistently sniping at individual enterprise and undermining the legitimate business of our country by the establishment of the greatest bureaucracy our nation has ever known. nation has ever known.

"Now by appointment of judges in sympathy with their ideas the administration has succeeded in taking a major crack at our own business. All attempts to relieve the situation by congressional legislation has been thwarted by the administration in the Senate."

Fighting for Status Quo

"The defeat of the administration," he went on to say, "will at least give us a fighting chance to maintain our business at the present status quo. A victory for the administration will without doubt bring about changes in our business too devastating to contemplate."

plate."

Mr. Wiley told about the successful efforts of the association to call a halt to the activities of a part-time agent, who is an employe of a building and loan association to which the local board at Putnam took decided exception. This man was licensed but the general agent who had sponsored him was induced to take up the license and later when another company sought to take out a license for this man, it was dissuaded from doing so. This, he contended, is a practical and logical way for

the association to handle complaints on the appointment of part time agents who are in a position to offer unfair competition to the regular agency force.

Washington Rules on 1943 Standard Are Revamped

SEATTLE—The Washington Surveying & Rating Bureau has announced new and revised rules in connection with the use of a number of standard forms applicable to the 1943 New York standard fire policy. Previous changes applicable to specific insurance coverages are now amended so they can be applied to blanket and special forms. In addition, "recommended" wording in a number of instances has replaced "mandatory" clauses heretofore in effect.

A recommended clause provides that an agreement may be made part of the policy relieving the insured of any responsibility for acts of neglect of an owner (if the insured is not the owner) or of any occupant (other than the named insured) when such act or neglect is not within the control of the insured. The word "premises" may be substituted for "building".

Alteration Recommendation

Recommended clause for granting permission to make additions, alterations and repairs is included in the changes. Materials and supplies used in making repairs may be included under the building policy and an extension is also permitted with research to contents. mitted with respect to contents.

A new blanket insurance rules dealing

with required exclusions has been issued and also the use of an exclusion on "property otherwise specifically insured" is not permitted except when limited to "property of others otherwise specifically insured" or except when the policy is written at the rate applicable to the highest rated risks and when no specific average rate has been published.

Seek to Clarify Cover

With respect to consequential loss and damage insurance reference to "provisions" and supplies has been added to clarify covering such risks as hotels, hospitals and restaurants, which risks may insure merchandise, provisions and supplies under the equipment item. A new consequential damage assumption clause applicable to refrigerating and clause applicable to refrigerating apparatus has been included in the changes.

An agreement may now be made part of the policy relieving the insured of any prejudice due to an error in describing the location of the risk and a

Late Casualty News

Chicago Branch Has Outing

The Chicago branch office of Continental Casualty and National Casualty held its annual outing at Sunset Ridge Country Club, winding up a production Country Club, winding up a production contest. Henry Lustgarten, resident vice-president, officiated. Among those attending were Roy Tuchbreiter, president of Continental Casualty; H. A. Behrens, chairman, who is president of Continental Assurance; N. O. Hoag, vice-president, who formerly was in charge of the branch; George Robson, vice-president in charge of the life end in the branch. in the branch.

The American Automobile branch office in Chicago held its annual office outing and golf tournament at Rolling Green Country Club, northwest of Chicago. H. M. Glenn, field representative, was in charge of arrangements.

Jack Hyman, president of Citizens Casualty, visited in Chicago on an agency trip, conferring with J. L. Walker, resident vice-president.

clause to accomplish this is suggested. Permission to use certain excess in-surance limitation clauses with respect to both specific and blanket forms is granted.

The improvements and betterments rule has been changed with respect to covering only the interests of the tenant or lessee.

or lessee.

Permission may be granted for increased hazards provided that such permit does not waive or modify any other warranty in the policy.

No Control Clause

No Control Clause

A new recommended wording of the "no control clause" provides that agreement may be made part of the policy relieving the insured of any prejudice for failure to comply with any warranty or condition in the policy with respect to any portion of the premises over which the insured has no control.

The outside coverage or extension clause has been revised to permit covering of property while on sidewalks, platforms, etc. within 50 feet of the risk insured, or 300 feet while in cars of vehicles, or when located on barges, scows or vessels within 100 feet of the premises provided there is no marine coverage. coverage.

A revised rule provides that coverage on buildings may be extended to include

platforms, chutes, conveyors, bridges, etc., provided that if these additions connect with any other building owned by the insured, then the insurance covers for a specified distance or only such portion situate on the same premises as lies between the building insured and a point widness between it and such other strucmidway between it and such other struc-

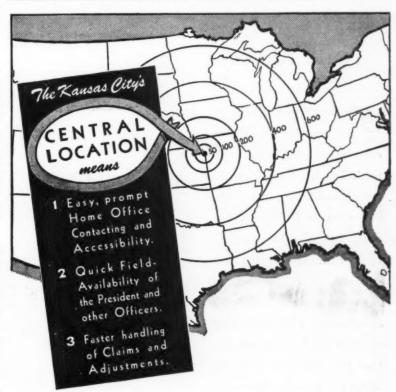
Liability may be assumed prior to loss on personal property of others for which the insured may be liable at the location described in the policy, and a clause for assuming such liability is recommended.

Julian Calls the Turn

Julian Calls the Turn

On the final day of the commissioners convention in Chicago a telegram was received from Frank N. Julian, Alabama insurance superintendent, who has been ill. After the election had been completed the telegram was read to the association. In it Mr. Julian said he desired to vote for Johnson for president, McCormack for vice-president, Sheufler for executive committee chairman and Read for secretary. That was the slate that had just been elected.

Use FBI crime reports in selling bur-glary insurance. Write for samples of "Why You Need Burglary Insurance Pro-tection." National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.



We invite you to utilize fully - for yourself or for your assureds - any or all of these "central location" advantages which the KANSAS CITY provides you. Our field-men, home-office staff and officers and directors are always yours to command.

Morton T. John



KANSAS CITY Fire and Marine

INSURANCE COMPANY

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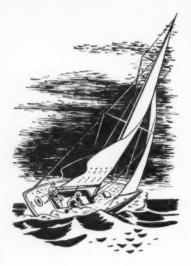
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SHAKE THE REEF OUT OF YOUR SALES

F your sales have slackened and you find yourself becalmed-not going anywhere in particular-it will repay you to investigate the sales helps Camden Fire offers to its Agents. The direct - mail advertising supplied by this century-old, capital stock company has brought many an Agent out of the doldrums with all sails set and a fair breeze. May we show you how we can give your sales that extra pull that brings you in first in the race for new business? Write us today.



CAMDEN FIRE INSURANCE ASSOCIATION CAMDEN, N. J.

"A Company is Known by the Agents it KEEPS"

National Board Issues Booklet on Bowling Alleys

The National Board has got out a booklet on the fire hazards in bowling alleys, prepared by a committee of the engineering council of the

The management of some alleys, the National Board found, claim that pa-tronage has fallen off as a result of the war, but alleys in or near industrial centers are in more or less constant use due to 24 hour operation of industrial plants. The general care and cleanliness of premises has deteriorated as a result of increased use of alleys and the difficulty of securing labor. A hazard common to all such establishments is that of smoking by the pin boys and is the outstanding cause of fires in bowling alloys as indicated by the record ing alleys as indicated by the record.

Special Alley Hazards

Special hazards include substitution of pyroxylin lacquer for white shellac which is no longer available because of the war, refinishing of pins, improper installation and maintenance of air conditioning system, storage of large quantities of flammable liquids, and the quantity of pins usually found stored on the premises. The booklet points out that there may be as many as 20 to 25 sets of pins per alley kept in storage usually in pins per alley kept in storage, usually in the attic space above the pits and in the aggregate they constitute a far greater quantity of combustible storage than is generally believed to be present in risks of this kind.

Smoking Heads List of Causes

Analysis of 33 fires in bowling alleys Analysis of 33 fires in bowling alleys shows that smoking caused 13, seven were caused by special hazards, five by common hazards, three by sparks from machinery, three by electrical defects, one by boys burning paper, and one by spontaneous ignition. Frequency of fires has materially increased since the war started. There are structural weaknesses from the fire presention standarding such started. There are structural weaknesses from the fire prevention standpoint, such as extensive concealed air spaces formed by suspended ceilings of combustible construction. It will be difficult, the National Board admits, to control the smoking hazard in view of the type of help that must be used in these establishments. Most of the trouble appears to originate in the pin rooms where the pins are reconditioned.

The booklet makes a number of recommendations, which are substantially those made heretofore by some of the inspection bureaus and fire departments

inspection bureaus and fire departments that have dealt with one or more of the serious bowling alley fires.

Life Companies Not United on Attitude

(CONTINUED FROM PAGE 6)

office as a Supreme Court justice. Even those who advance this as a possible reason are by no means sure they have hit on the right explanation of Justice Roberts' action, but it is the only plausible one that has come to light.

Speculate on Reasons

Justice Reed, the other judge who disqualified himself, may have done so because of his son's connection with Wright, Gordon, Zachry, Parlin & Cahill, the firm which defended the S.E.U.A. However, this explanation is not wholly convincing, because Justice Reed has not felt it necessary to dis-Reed has not felt it necessary to dis-qualify himself in any other Supreme Court case in which the firm represented the defendant.

Dan M. Craddock, 69, who retired from active business about a year ago after more than 40 years as a partner in the Dallas agency of Craddock & Smith, died after a long illness.

Pascoe Rutter Eyes Invisible Export Problem

The annual review which Sir Frederick Pascoe Rutter, governor and chairman, presents at the annual meeting of London & Lancashire, has just reached this country. These observations are always attended with much interest on this side of the water, as Sir Frederick gives a comprehensive view of world wide conditions and their effect on

wide conditions and their effect on underwriting.

This year Sir Frederick spoke at some length on the question of invisible exports, which, he said, to the British have been an enormous raft of floating security which already had been in danger through the previous war and by the present war have been brought to

the present war have been brought to a point of real jeopardy.

British insurance overseas, he declared, has always been a contribution of great value because of its consistency, "which has continued imperturbable even in the midst of this world revolution." The other factors such as shiption." The other factors such as shipping, banking and income from foreign investments have all suffered. These foreign investments constituting the bulk of England's balance, are probably now scarcely 50% of what they used

Purchasing Power Shrinks

In 1913 the invisible exports amounted to £339 million. In 1938, they were £322 million. The purchasing power had through the increased cost of commodities become less than one-half. Today those invisible exports are in actual amount no more than half what they were before 1939 and accordingly less than one-quarter in purchasing value of what they were in 1914.

value of what they were in 1914.

The preeminence of England as the great creditor nation has vanished and the country is in debt. The investment income from which "our larder is supplied is roughly £250 million per annum, which is less than our expenditure on food, drink and tobacco alone."

"We must devote our thoughts and our efforts to how we can restore the situation and counteract the economics."

situation and counteract the economic danger which stares us in the face and danger which stares us in the face and which will only be aggravated the longer the war lasts," he declared. Looking to the post war period, he said, what is vital is the moulding of public opinion so that whatever is done and said may aid not merely in the reconstruction of this or that but the harmony, the fellowship, the determination and the peace "to keep this country solid united and work, to restore our production and our exports."

exports."

This gradual recovery demands cooperation, internationally, and especially between the English speaking peoples, "for nationalism has proved itself ever since 1914 to be a fallacy leading to the abyss of bankruptcy."

Speaking of Russia, he declared: "The individual must, in the long run, be the man who counts, and it would take generations to convert, or rather pervert,

Ohio Field Men **Holding Meetings** at Russells Point

By J. T. MALONEY

RUSSELLS POINT, OHIO-Attendance at the combined summer frolic here of the Ohio Blue Goose and the anof the Ohio Blue Goose and the annual field club meetings with the Ohio Fire Prevention Association taxed hotel accommodations. Business sessions were held at Beatley's Hotel, while overflow accommodations were provided at the Plaza. Blue Goose members enjoyed a sessibility to be the left of the control of the left o Plaza. Blue Goose members enjoyed a moonlight boat trip on the lake Tuesday. Wartime conditions made it necessary to divide the banquet Wednesday between three dining rooms.

Nelson New President

C. J. Lingenfelder, assistant secretary America Fore, and H. L. Grider, western manager Factory Insurance Association, attended from Chicago. R. W. Nelson, associate state agent Home of New York, was elected president of the New York, was elected president of the Ohio Fire Underwriters Association, succeeding O. F. Gibbs, state agent Atlas. W. H. Witherspoon, special agent Aetna Fire, was elected vice-president and H. R. Underwood, state agent Providence Washington was reelected secretary-treasurer. H. W. Lyndall of the fifth regional security office addressed the combined group field clubs Wednesday morning.

The fire prevention association is

The fire prevention association is holding its meeting and election Thurs-

the people of Great Britain, and even more so the people of the United States, to a condition of mass production with the domination of what is euphemistically called 'the state.'

Eighty War Casualties

London & Lancashire has 1,150 of its employes in the services. The casualties are only 80 which, compared with the last war, is so far quite moderate.

Sir Frederick remarked upon the reduction that the first part of the services in Farmack i

Sir Frederick remarked upon the reduction in the total fire waste in England but emphasized there must be no relaxation in the concerted steps which have been taken to prevent "this seeping away of valuable property." "Saving—rigid economy—still is and will for years to come be the national appeal, and the fundamental essence of saving is the avoidance of waste."

Sir Frederick, however, lamented the

saving is the avoidance of waste."
Sir Frederick, however, lamented the fact that the fire losses in the United States have increased. Contributing factors were bad winter weather, sporadic incendiarism and a continuous run of ordinary fire losses without individual significance. But, he declared, the war was the dominant cause. It brought about a crescendo of abnormal industrial activity employing many thousands of workers lacking the requisite experiof workers lacking the requisite experi-ence. The bad record is continuing in 1944 and the prospect gives occasion for concern, he said. He feels that a trying period for fire insurance lies ahead in the United States.

Kansas Casualty Leaders in 1943

4	Employers Mut. Liab8	1943	1942 81.097,329	3	1941 134,178	8	1940 162,170		1939 172,850
	State Farm Mut. Auto	685,263	657.623	*	561.892	4	384,543	4	293,645
3.	Aetna Life	640,286	339,014		162,537		90,127		74,231
43+	Aetna Casualty	355,040	315,720		319,253		285.752		274,262
4	Travelers		844,502		478,399				281,919
**		627,406					340,404		340,889
-	Travelers, Indem	438,213	414,565		378,775		359,315		
	Fidelity & Casualty	588,598	317,466		209,858		204,369		203,796
6.	Hartford Accident	564,751	486,170		636,198		425,494		355,142
7.	Massachusetts Bonding	542,673	224,050		141,048		137,101		145,060
8.	Liberty Mutual	506,505	342,106		214,779		130,271		106,904
9.	Employers Mut. Cas	445,813	394,122		394,670		307,482		249,773
10.	Metropolitan Life	444,782	254,266		141,713		133,903		128,036
11.		438,213	414,565		378,775		359,315		340,801
12.	Farm Bur. Mut., Kan	417,701	348,637		260,284		163,892		95,176
13.	Continental Casualty	399,009	348,459		301,684		273.044		249,081
	National Casualty	27,397	53,715		63,510		58,933		59,572
	Continental Assur	10,141							
14.	Aetna Casualty	355,040	315,720		319,253		285,752		274,262
15.	Western Cas. & Surety.	348,959	599,969		287,632		229,835		278,023
16.	Employers Liability	341.030	188,641		201,843		198,630		179,662
17.	U. S. F. & G	328,767	361,568		261,770		288,855		216,606
18.	Maryland Casualty	312,678	328,852		253,950		299,292		234,375

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Commissioners Body Sweats Out Approach to Federal Issue

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could be served by such a request. Advocates of the plan felt that, if by any chance the Supreme Court should grant a rehearing, either or both of the justices who took no part in the S.E.U.A. decision—Roberts and Reed—might possibly come into the case in its second stage. Also some advanced the theory that a request for rehearing might serve as something of a stop gap. Although very early in the week it was predictable that the commissioners' final decision would be to adopt a pro-

was predictable that the commissioners' final decision would be to adopt a program of fathoming industry opinion, such an outcome did not materialize without many hours and days of intense deliberation. There was a great variety of views being expressed and a number of specific plans had been hatched and were being espoused.

The life companies and the stock fire companies represented the two extreme poles. The life people present held a rump meeting and decided that there was no one present that was authorized.



J. M. MCCORMACK

to speak for the life insurance business and that the life people should take no part whatsoever in any deliberations during the week on the big subject which incidentally got to be referred to during the week merely as "it." Committees of the American Life Convention and Life Presidents Association were due to have meetings on the subject the following Monday in New York and that was another reason why the life people felt that they should keep completely aloof.

Fire Company Position

At the other extreme were the stock At the other extreme were the stock fire company people spearheaded by E. L. Williams, president of the Insurance Executives Association. What they wanted was an outright endorsement of the Bailey-Walter bill exempting insurance from the federal anti-trust acts. Failing that they insisted that the commissioners adopt no position that would preside the legislation in which they pre-udice the legislation in which they are interested. The stock fire people worked night and day to advance their

They were not successful in their ef-They were not successful in their effort to get an outright endorsement of the Bailey-Walter bill but the report was that the resolution as to the attorney generals requesting a rehearing was intended as a sympathetic gesture toward the stock fire interests.

ward the stock fire interests.

Between the stock fire and life insurance extremes there were a great variety of views expressed, including a good deal of cussing out of the life group and the stock fire people.

At the instance of the commissioners, W. E. McKell, president of New York Casualty, undertook to get the various units of the industry to name spokesmen to confer with the commissioners and that group held a meeting with the Graves' committee Saturday afternoon

after the close of the convention. That group includes E. L. Williams and John A. Diemand, president North America, for the stock fire insurance interests; Mr. McKell, stock casualty; A. V. Gruhn, manager American Mutual Alliance, mutuals; Floyd E. Jacob, Kansas City attorney, for the reciprocals; Herman L. Ekern of the Chicago law firm of Ekern, Meyers & Matthais, and president Lutheran Brotherhood of Minneapolis, for the fraternals; Judge B. Miller, secretary National Association of Insurance Agents, for his organization; Warren Ellis, New York, for the brokers, and Lew H. Webb, Conkling, Price & Webb, Chicago, for the National Association of Casualty & Surety Agents. ciation of Casualty & Surety Agents.

Acceleration Is Needed

It is believed that the commissioners group will now proceed to ascertain in what ways the various elements of the business believe that their operations will be disabled by the dilemma created by the S.E.U.A. decision and what sort of federal or state legislation they believe is processary in order to provide for of federal or state legislation they be-lieve is necessary in order to provide for continuance of orderly operations. The committee, it is also believed, will make a study of all the various federal laws affecting commerce that under the de-cision of the Supreme Court in the S.E.U.A. case now automatically apply

to insurance.
The report of the Graves committee that represented so many gallons of sweat, reads:

"The members of this association through this regularly appointed committee have been engaged in studying the effect of the several federal legislative proposals, pending and suggested, affecting all branches of the insurance

"The recent opinion of the Supreme Court makes necessary the acceleration of the work of this committee so as to arrive if possible at specific recommendations to be submitted to a special session of the executive committee of this Association to be convened for that purpose not later than Sept. 1, 1944.

"There is no industry in this country

in which the public has a more vital stake. Therefore it is essential that any dislocations of the insurance business operating under the supervision of the several states flowing from this decision be kept to a minimum.

PUBLIC HEARING ISSUE

"Consequently in the acceleration of this study the committee proposes to consult, so far as is possible with all

consult, so far as is possible with all persons, groups, or organizations, interested in this question. The proposed procedure includes executive sessions, informal conferences, and public hearings throughout the nation as the occasion may necessitate with public announcement by the chairman prior to each such session."

The reference to conducting "public hearings throughout the nation" stirred much heated discussion throughout the lobby and in the various executive sessions that were held. Those opposed to this report envisioned the commissioners committee making one night stands throughout the country at town halls and thus creating a great public to do. However, advocates of the report say that it is not the intention of the commissioners to provoke such public debate but that if it is found deport say that it is not the intention of the commissioners to provoke such public debate but that if it is found desirable, there will be some public hearings to develop the information that is desired as well as executive sessions and informal conferences.

The several meetings of the Graves' committee or of the executive commit-

committee or of the executive commit-tee and of the association as a whole that were held to discuss "it" were exthat were held to discuss "it" were ex-ecutive except one which was off the record. The entire convention group, including newspaper people, was gath-ered together to hear a background, off

as soon as the commissioners became engrossed in the one consuming topic, everything went by the board. Here and there a committee meeting was sandwiched in but, as if by common consent, the timetable was abandoned and the entire attention was given to and the entire attention was given to the task of coming up with as far see-ing an approach to the question of the future of insurance supervision as possible.

The final convention session Saturday afternoon droned on as the various committee chairmen reported but after the law and legislation committee and the law and legislation committee and one or two others that had subjects of current interest before them had reported the attendance dwindled to a handful. The commissioners conducted their election in executive session and decided to hold the December meetings in New York, the hotel and exact dates to be determined later. If arrangements can't be made in New York, it will be held in St. Louis.

The commissioners voted to increase

The commissioners voted to increase the amount of the voluntary contribu-tions of each state from \$75 to \$150.

tions of each state from \$75 to \$150. The first full session of the convention was held Thursday morning. Fortytwo states and three Canadian provinces answered to the roll call. The absentee states were Georgia, Delaware, Idaho, Kentucky, Nevada, New Mexico and District of Columbia. It was announced that Walter Robinson, Ohio actuary, and chairman of the blanks committee, was absent from a commissioners' meeting for the first time in 20 years. He is hospitalized but Superintendent Crabbe of Ohio reported that he is making good progress. he is making good progress.

Welcome From Dewey

President W. M. Dewey of the Edgewater Beach Hotel spoke a welcome. President Harrington named a resolutions committee consisting of

come. President Harrington named a resolutions committee consisting of Bowles, Virginia, chairman; Parkinson, Illinois, and White, Mississippi.

Mr. Parkinson gave a welcoming talk and Johnson of Minnesota responded. He pointed out that up to this year Chicago, Detroit and the Twin Cities of Minneapolis and St. Paul had each been host at a commissioners' gathering five times. Now Chicago is in the lead with six.

in the lead with six.

He recalled that the first meeting of He recalled that the first meeting of the insurance commissioners was called because of the decision of the Supreme Court in the case of Paul vs. Virginia. It was attended by 19 insurance commissioners. That decision was extremely unpopular at the time and Mr. Johnson quoted from a current financial publication stating that the Supreme Court decision that an insurance transaction does not constitute commerce. Court decision that an insurance trans-action does not constitute commerce between the states is "palpably wrong." The insurance supervisors were called fogether in an effort to simplify the laws regarding insurance and to draft reciprocal general insurance law. Most legislation since that time, Mr. Johnson said, has had its inception within the commissioners' association.

Known and Tried Paths

Mr. Johnson stated that the commissioners are now faced with the necessity for taking constructive action. They should keep the public interest foremost. He observed that the decision is in no way an attack on insurance supervision. The great record of insurance has been

accomplished under state supervision. He expressed the hope that progress can continue to be made along known

tried paths.

and tried paths.

Mr. Harrington then gave his presidential address, saying that he had been compelled to redraft his speech after it had been prepared, in view of the Supreme Court decision. He declared it is the duty of the commissioners to ask Congress to let the state supervisors serve the public in an orderly way particularly during the war period. The entire business of insurance is involved and he declared that the Bailey-Walter legislation is not sufficiently comprehenlegislation is not sufficiently comprehensive. The commissioner's association should offer to cooperate with Congress. Fraizer of Nebraska gave his formal paper on multiple line underwriting for fire and capality insurers.

fire and casualty insurers.

GOV. GREEN SPEAKS

That evening was held the cocktail party and dinner through the courtesy of the Illinois hosts. It was the one social event of the week. Governor Green of Illinois was the speaker. At the speaking program George J. Mecherle, chairman of the State Farm companies and chairman of the Illinois host committee, presided. He introduced those at the head table. Mr. Harrington spoke briefly saying that an ominous future is predicted in some quarters but that he expects the commissioners to be serving the public for years to come. Mr. Parkinson spoke a word of welcome. An open session was held Friday at which Commissioner Gibbs of Texas gave a paper on compensation insurance.

which Commissioner Gibbs of Lexas gave a paper on compensation insurance. The only other open session of the association was Saturday afternoon. Mc-Cormack reported for the executive committee in several installments cover-ing the St. Louis meeting about a month

ago and the various sessions that had been held during the week in Chicago. These reports included approval of the resolutions on the Supreme Court situation and all the deliberations having been completed there was no discussion of the issue at that time. Then there was a succession of committee reports.

Russell O. Hooker of Connecticut re-ported for Mr. Robinson of the blanks committee. The changes that were adopted were publicized a few weeks ago at the time of the blanks commit-tee meeting in New York.

The report of Commissioner Garrison of California as chairman of the A. & H. committee was approved. The official guide for filing and approving accident and health policy forms, which has been put into finished pamphlet form, was officially approved for use effective July 1. The committee is considering numerous amendments and form, was officially approved for use effective July 1. The committee is considering numerous amendments and it is expected that there will be changes from time to time. Also the association approved the recommendation of the Garrison committee that the agreement of feeted committee that the agreement of the feeted committee that ment effected some time ago between the Massachusetts department and seven non-can A. & H. insurers for liberal treatment of war veterans in the reinstatement of policies, etc., should be recommended for adoption in other

Bowles of Virginia, for the casualty and surety committee, reported the appoint-ment of a special subcommittee to con-tinue studies of the matter of providing automobile insurance for disabled war veterans.

On motion of Gough, New Jersey, the subcommittee of the executive committee on war damage reserves was discharged as was the McCormack committee on roster of insurance commissioners.

Crabbe of Ohio, for the fire and ma-rine committee, touched on a number

A sharp debate, reported elsewhere, resulted in the report of Carroll of Rhode Island as chairman of the com-

mittee on interpretation and complaint. Fraizer of Nebraska, for the laws and legislation committee, recommended that the report of the Diemand industry com-

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mittee on multiple line underwriting be received in a "favorable light" and that the industry committee be continued. This report was adopted but with Dineen of New York voting "No" and McCormack of Tennessee and Allyn of Connecticut stating that their vote was not to be construed as favorable action the Diemand committee report. Kavanaugh of Colorado reported that

the life committee had no matters to

present.

J. Cullen of New York reported T. J. Cullen of New York reported for the valuation of securities commit-tee. The new formula makes somewhat more severe the yield test to determine whether certain bonds are eligible for amortization.

HODGES REPORTS

Hodges of North Carolina reported for the workmen's compensation committee which had held a full day preconvention session at the Edgewater Beach. A great deal of material was appended to this report and by vote of the convention this will all appear in the proceedings. The association approved the committee's recommendation that a wage factor be developed for modification of workmen's compensation rates so as to avoid wide swings in premium revenue due to inflated payrolls and to subnormal wage levels.

Mr. Hodges stated that the compen-

Mr. Hodges stated that the compensation subcommittee should hold a meeting prior to Oct. 1 to continue its studies of the idea of promulgating a uniform form for expense reporting in connection with all casualty lines. At that time the ideas of the companies could be presented and of C. W. Hobbs, the commissioner's representative on the the commissioner's representative on the National Council on Compensation In-surance, who was not able to attend the

Chicago meeting because of illness.

Russell O. Hooker, actuary of the
Connecticut department, presided at the
meeting of the sub-committee on schedule P in the absence of Arthur E.
Cleary, actuary of the Massachusetts department, who did not attend the conpartment, who did not attend the convention. It seemed to be generally agreed that schedule P now is developing rather high reserves, because of war conditions, but that this would not be true after the war. Mr. Hooker said that the chief objective of the sub-committee is to collect the various view-points and pass them on to the com-mittee of commissioners. He suggested that mutual and stock companies submit memoranda on their views and desires. A couple of small companies brought up the proposal that the internal revenue bureau be approached to

allow income tax deductions on the ba-sis of schedule P reserves.

The same sub-committee went into the matter of changes in blanks. There were a few suggestions as to minor changes on page 3 of the annual state-

Hear Constructive Suggestions Made

(CONTINUED FROM PAGE 4)

portant that it is entitled to have the en-tire attention of one supervisory body.

"There is evidence of a growing demand for a law to prevent fire, casualty and surety companies from discriminating as to rates, forms and coverages between persons, property and risks of essentially the same degree of hazards," he said in his report. "Such a law could be drawn in a manner to eliminate all equity rating. Some interests feel that equity rating has been badly used and misused in many instances, particularly where it is applied to classes of insurance not state regulated in order to obtain a class of business under state regulation.

The recommendations were left for

the incoming administration.

Membership is 353, Mr. Haun said.

A special research committee ap-

pointed to procure information on new forms and broadened coverages in other states has compiled information with reference to forms and coverages from 33 states and is now working closely with the rating bureau and the governing committee of Virginia in the preparation of forms to be used with the new Virginia standard fire insurance policy which becomes effective July 1, Mr. Haun informed the convention. This committee comprises Fergus A. Goodridge, chairman; J. V. Arthur, James J. Izard, Robert W. Cole and J. Davis Ewell.

Averell Broughton, public relations counsel for the National association, said it is fortunate that the Supreme Court decision came at a time when the National association is in its best con-



JACOB HAUN

dition from the standpoint of organization and experience to handle any problem that may arise.

Railroad Man Talks

Sydney F. Small, vice-president of the Norfolk & Western Railway, warned that some of the Washington star-gazers who have created more than 100 federal alphabetical agencies since 1933 may have a plan to protect every American with blanket insurance from the cradle to the grave. In view of the record, insurance men should be constantly on the alert for possible develop-

ments.

Speaker at the annual get-together dinner was Ray Evans, Bluefield, W. Va., president of the West Virginia association, who discussed "Omnibus and/or By-Products."

C. F. Joyner, Jr., motor vehicle commissioner of Virginia, explained in detail the provisions of the automobile financial responsibility act which goes into effect Ian. 1. 1945. The Virginia into effect Jan. 1, 1945. The Virginia agents can play an important part in helping to acquaint the public with pro-visions of the act and in persuading owners and operators of motor vehicles owners and operators of motor vehicles to protect both themselves and others against financial loss by traffic accidents. He urged agents to conduct intensive educational programs. In 1943 in Virginia 602 persons were killed, 10,290 traffic accidents were reported, and 4,964 persons were injured, 1,316 of them seriously, he said. The accidents represented property damage of close to \$2 million and an economic loss of \$27 million, he said.

Insurance companies and agents plan an intensive promotional campaign be-ginning about Oct. 1, he said, and his department will launch one Sept. 1, using radio, newspaper, etc. He emphasized that the law is not a compulsory insurance measure and urged agents to make this clear to the public. Insur-ance is just one of the means by which the operator can meet with the require-ments of the law, he said.

Among those attending the convention were past president E. E. Goodwyn, Emporia, who is commander of the Virginia

state guard; W. L. Pierce, Christiansburg, 80, president in 1909; B. C. Taylor, branch manager at Baltimore for U. S. F. & G.; A. C. Word, vice-president of Louis E. English, Inc., Richmond; E. R. Booker, Westchester, and C. T. Lloyd, National Liberty, special agents who have completed 34 years of service in the field this year.

have completed at years of service in the field this year.

Calvert R. Dey, Norfolk, a past presi-dent, displayed a gold watch presented him by the L. & L. & G. when his agency, George W. Dey & Sons, celebrated com-pletion of 75 years of representation of that company this year.

Speed in Awarding Coverage Indicated

(CONTINUED FROM PAGE 4)

The specifications sent out with the invitation for bids on the second service command's insurance showed an improved grasp of the insurance com-pany's problems in handling the cover-age as well as a more definite idea of coverage desired. In fact, according to one company official the specifications were so drawn that they gave the potential bidders very much the kind of information about the risk that a well informed agent or broker would give to a company in submitting a risk for its consideration.

Values run to substantial amounts, the limit asked for by the army being \$750,-000 at each post.

The first policy written on the sixth service command, was not on a competitive bid basis and was handled by the St. Paul group. The casualty and fidelity coverages for the third service command, the next to be written, were awarded to Employers Mutual Liability.

States Rights Bill in Race Against Time

(CONTINUED FROM PAGE 5)

ernment. In 1905 or 1906 Teddy Roosevelt and the insurance companies proposed such regulation.

"I say to the insurance executives that some day some Congress is going to take you at your word and pass regulatory legislation, unless the fight for antitrust exemption is dropped."

Statement of Biddle

Citing statements of proponents of the states rights bill that it was not intended states rights bill that it was not intended to affect pending insurance cases, Attorney General Biddle has advised Rep. Satterfield, Virginia, that he does not "believe it would be appropriate to hold the S.E.U.A. case in abeyance."

The Attorney General expresses the belief that in view of the Supreme Court decision, the pending case "must be set for trial in the regular course of procedure." Satterfield had written asking that the S.E.U.A case be held in abey-

that the S.E.U.A case be held in abeyance in order to afford opportunity for legislation. Mr. Biddle's letter follows:

ance in order to afford opportunity for legislation. Mr. Biddle's letter follows:

"I have given very careful consideration to the matters raised in your letter of June 9, 1944. You refer in part to my statement after the decision of the Supreme Court holding that insurance companies are not exempt from the provisions of the Sherman act. In my statement I sald:

"The insurance companies now have the opportunity to change those ratefixing and other practices, which under this decision, may be in conflict with the Sherman act. The Department of Justice realizes that the insurance companies will need to adjust their practices so as to accommodate themselves to the Supreme Court's decision and will be guided by this consideration.

"This statement sets forth my attitude toward prospective prosecutions.

"As to the pending case, however, I bebelieve that in view of the Supreme Court decision this case must be set for trial in the regular course of procedure. This case involves such practices as coercion, intimidation and boycott of competitors and consumers, practices which, as the Supreme Court, pointed out, are authorized by the laws of no state. Furthermore, the record of the hearings on the Walter bill and its companion bills contains statements by the pro-

ponents thereof that these bills are not intended to have any effect on the pending action. Under these circumstances, I do not believe that it would be appropriate to hold the present case in abeyance."

I.M.U.A. Faces Dilemma in N. Y.

(CONTINUED FROM PAGE 5)

original broker it deflates his prestige considerably.

One trouble with presenting the P.P.F. policy to clients promptly is that it is a policy that cannot be properly sold without a personal interview. other discouraging point is that there is competition from the fire and the burg-lary policies with their off-premises covfloater somewhat less of a boon than it would have been had it been available a couple of years ago. The number of sales per 100 presentations of the P.P.F. is considerably lower than it would be if it were not for these new fire and burglary policies.

Some brokers have found difficulty in interpreting certain clauses in the personal property floater. For example, the other day a broker wanted to know other day a proker wanted to know where in the policy damage to a house caused by burglars was specifically covered. Actually it is not specifically covered but is insured by the statement that "the company will also pay the actual loss of or damage (except by fire) to property of the assured not fire) to property of the assured not specifically excluded by this policy caused by theft or attempts thereat. ... Since the residence is not specifically excluded the damage done by a burglar would be covered even though the policy

does not say so in so many words.

Underwriters anticipate that New York City will give them plenty of headaches in the way of chiseling on claims and in presenting legitimate claims for trifling losses. However that situation will take care of itself in time, it is helicated as the structure of the structure o it is believed, as insured who persist in these tactics will find themselves without coverage and unable to purchase anv.

Outside of New York City several companies favor using class 5 rates.

SWIS Headquarters in Columbus

SWIS Headquarters in Columbus

H. W. Lyndall, regional security officer, has moved headquarters from Cleveland to 426 Medical Science building, Columbus. SWIS in the fifth region has been functioning since Feb. 15, 1943, under direction of Mr. Lyndall and committees of fire insurance field men in Ohio, West Virginia and Kentucky. The headquarters move was made so SWIS could be in closer contact with the army's internal security headquarters for the fifth region at Fort Hayes. Inspection of war plants has reached a point where most important plants have been inspected, and hereafter a substantial proportion of the work will a substantial proportion of the work will be reinspections and inducing management to adopt security recommendations. SWIS in Ohio, West Virginia and Kentucky recently was assigned inspection of motor transportation facilities, including principally freight terminals and truck storage and repair facilities, and approximately 450 inspections in this classification have been completed.

Aleshire to Live in Chicago

Aleshire to Live in Chicago

Oscar E. Aleshire, who has resigned as president of the Modern Woodmen of Rock Island, Ill., and Mrs. Aleshire have returned to Chicago. Mr. Aleshire has bought an apartment and his permanent address will be 6901 Oglesby avenue. Mr. and Mrs. Aleshire, however, will spend the summer at Helena, Mont., with their married daughter but will not go until July 14. Mr. Aleshire does not expect to engage actively in business again although he has of course an interest in the Chicago agency of Parker, Aleshire & Co. Aleshire & Co.

Use The A. & H. Bulletins for disability policy and sales data. Write The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.

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Jap Trophies from Hartford Employe



Members of the automobile department of Hartford Accident are shown above displaying a Japanese battle flag taken from a Japanese killed by Marine Pfc. Henry M. Gompper, formerly of the department. The flag was sent by Pfc. Gompper to Assistant Secretary Frank P. Handley. The holes in the

Commercial Marine

(CONTINUED FROM PAGE 9)

formerly were limited to preclusive pur-

chasing of materials to keep enemy na-tions from acquiring them. In that con-nection, it is stated that its insurance was handled on the commercial market.

was handled on the commercial market. Commodity Credit used to obtain war risk insurance from War Shipping Administration. The latter's ships now carry FEA imports. WSA government insurance on import cargoes, now limited to a few commodities, is approaching the vanishing point, the commercial market having taken over very largely. The fact that FEA is also charged with stimulating export markets for United States goods, as well as handling most government imports, suggests to observers here possible further expansion of its insurance interests and activities.

activities.

Lend-Lease comes under FEA, but officials explain that lend-lease delivery

to Allied governments occurs before the goods leave United States or friendly ports. Lend-lease shipments are not insured either by the U. S. or allied governments.

Insurance Stock House Sees

(CONTINUED FROM PAGE 3)

rates in the areas where the loss experience has been bad."
4. "Accomplishments of progressive changes within the insurance industry

changes within the insurance industry should restore to company managements opportunities to exercise initiative, exploit personal abilities and develop individual techniques which can be capitalized for stockholders and which unquestionably have been inhibited—almost smothered—by limitations imposed not only by the states but by repressive rules and regulations of too many boards, bureaus and organizations within the insurance business itself. The limitations and restrictions imposed by retaliatory state laws, as well as by some of the organizations within the insurance industry have increased the cost of insurance and the expense of company operations, thereby providing footholds for mutual company competitors which have

mutual company competitors which have

Salutary Changes Ahead

Foreign Purchases

flag are from the grenade Gompper tossed at the Jap on Parry Island on Eniwetok Atoll. Another trophy taken from the same Jap is shown at the right of the photo, a banner with a brilliantly colored naval scene of a Jap battleship lying in harbor. In the center is department's 33 star service flag.

NICHOLS COMPANY INSURANCE ADJUSTMENTS All Lines—Representing Companies Only

been free to offer more favorable terms

to risks of superior quality." Huff, Geyer & Hecht argue for one change that will not make them popular with the agents. They consider that acquisition costs are too high, pointing out that the stock fire insurance companies in this country paid approxi-mately 27% to agents last year whereas in England and in some countries of continental Europe, before the war at continental Europe, before the war at least, fire insurance commissions often were as low as 5%. The prediction is made that a substantial reduction in the agents' commissions is one of the objectives of the Justice Department which is bound to be achieved. However, the leaflet expresses the opinion that reduction in commissions would in the long run benefit the producing organizations by increasing the amount of insurance sold and eliminating a large number of unneeded and incompetent agents.

agents.

If "separation" has to be abandoned, this will be beneficial, according to the securities firm. Such a change, it states, would be conducive to changing much of the present competition between agents to competition between companies which would tend to substitute management initiative and enterprise for dependence upon agency organizations.

Hits Countersignature Laws

In support of its contention that regulation as it now exists is not entirely in the interest of either policyholders or stockholders, the leaflet cites "such parasitical expenses as are imposed by the so called counter signature law—devised by politically minded state legislators and not a creation of the insurance company at all . . . likewise the amount of commissions paid of a non-service hature such as the large insurance lines of big corporations."

The leaflet predicts that the cost of insurance will be reduced and underwriting earnings increased by the greater use of a graduated scale of commissions for large risks.

Stocks Price Average Is Low

Although some fire and casualty company stocks are still considerably above the price level of 18 months ago these stocks as a group are now selling at approximately the lowest price since the latter part of 1942, according to the leaflet, and as a class the insurance stocks now offer an average yield of

Explains FSA Insurance Setup

The Farm Security Administration insurance is written in the Houston Fire & Casualty and covers \$190,000,000 in value. The FSA has some 60,000 pieces of property insured under a blanket policy. Certificates are issued as new loans are made. There is an errors and omissions clause in the master policy to protect the FSA. All property is insured as soon as the FSA issues a loan.

The average value of buildings insured is \$3,600. The average fire loss is approximately \$450 and the average windstorm loss about \$190.

Replacement Value Form

Fire insurance and supplemental coverage is carried. The protection is written at a 90c per \$100 value rate. The contract is strictly a replacement value contract. While the FSA has a maxi-

mum loan provision of \$12,000, loans vary from \$8,000 in the farming districts of Ohio, for instance, down to \$4,000 and more in southern territory.

The entire personnel of the FSA department handling the insurance consists of five people in the office, plus outside engineers or approximately 24 people throughout the country. At one time when settlement projects were included in this insurance department under the FSA, some risks covered were as high as six or eight million dollars on certain projects. These have been divorced however and only the property covered by loans in the FSA is now handled. Loans are made for 40 years, and are for 100% of the value of the property. There are always more applicants for loans than there are funds available. Insurance premiums are added to the charges which are paid by the borrower. the borrower.

The FSA has not considered the business subject to state supervision but only to Washington, D. C., insurance supervision.

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EDITORIAL COMMENT

Insurance Regulates Itself

that the industry regulates itself very effectively. The organization companies are confronted always with outsiders that are playing close to public demand. Many of the improvements have come from this sort of competition. It must be acknowledged that the non-organization companies have been compelled to use their ingenuity to attract attention and customers in many ways. Therefore, they do not hesitate to experiment. They find where a change in policy or endorsement or method of operation will appeal to customers and where, in their opinion, they will be perfectly safe in making the innovation. There has never been a time when one group of companies has been making a profit considerably above the average but that in a short time competition steps in and cuts down the price.

It might be said that in a way companies have during the many years mey have been operating voluntarily reduced their net profits because of their contribution to the different associations and enterprises such as the National Board, Underwriters Laboratories, fire prevention work, the National Fire Protection Association, the building industry, electrical inspection and so on. They have endeavored to improve the type of risks and eliminate hazards. In this way they have reduced their profits by a re-

In connection with the U. S. Supreme duction in rates. Today local agents Court decision and the various contro- complain of this rate reduction process versies that have arisen with regard to because the commissions they earn now fire insurance as to whether the com- are not large enough in their opinion to panies are in combination or conspiracy, be attractive. For instance, take the vast it is always interesting to keep in mind number of buildings that have put in automatic sprinklers. Before they were installed the rates were usually very high because the processes or construction were hazardous. As soon as a building is sprinklered, the rate is reduced materially and thus cuts down not only the income to companies but to agents.

It is doubtful if this situation prevails in any other line of endeavor. The vast grouping of companies naturally causes competition. Companies outside of organizations that are compelled to run along independent lines have to introduce in their operations something attractive. Some outside companies have gone too far in offering more liberal rates. They fell by the wayside. However, those that are well managed have often reduced rates here and there on properties and on classes which they felt were producing a fine profit and thus forced down the rate itself. The amount of money that companies spend for the improvement of risks runs into large figures. When these improvements have been made the rate goes down.

We probably have not seen a more perfect example of self regulation than we find in insurance. The moment that any company or any group begins to show a profit that is very attractive, immediately others rush into the same field with a lower rate and thus the general average is considerably reduced.

Insurance Humanized

advance that insurance has made in the interest of the people that is well worth handmaiden of credit, the stabilizer of industry, a great proponent of fire prevention. Yet Mr. Thomas brought out has contributed to the welfare of people in the more modern ways of life.

The destruction of a home by fire is a tragedy especially to those who have no place for lodgment. Therefore, insurance has endeavored to throw about the
home greater safeguards so that it can
function without so great danger. When
a plant or business employing a number

Thomas ably recalled, "to create and
maintain a sounder and safer America."

A. J. Pembroke, prominent local
agent of Columbus, O., who has probbusiness at Columbus, O., longer than
any other individual, celebrated his
80th birthday Wednesday. He started

President John M. Thomas of the of people is thrown out of commission National Board in his annual address by fire the wages of employes naturally made some comment regarding the are affected. That means much to the families. Therefore they are greatly interested in having their sources of promulgating. Often we overlook what income continue unabated. Insurance might be called the more human side has stepped in here and has studied of insurance. We look upon it as the proper safeguards for commercial and industrial building. It has realized what a handicap it is for employes to be thrown out of work because of a fire some new ideas showing how insurance loss. Not only have insurance laboratories and technicians found more effective preventive measures for homes but they made a special study of the more complicated larger structures and the



tributed no small share to this particu- the emergency. He is helped by inlar activity. It has studied manufacturing processes, use of chemicals, it has tested materials and where the Underwriters Laboratories' label is placed we can rely on its significance.

President Thomas pointed out what has been accomplished in the way of research and laboratory work in the war effort. Much has been done in this direction that will add to the comfort and convenience of the home. New lessons have been learned regarding safety installation for buildings and processes. They will do much to solve the problems that are now bothering a good many people regarding safety.

Insurance might be termed a cushion on which the policy owner can light in business is done before noon.

The Underwriters Laboratories has con- case of loss. He is not prostrated by surance. He can restore his home and his business. It is these human activities that we can well dwell upon in our attempt to make insurance better under-

> INSURANCE salesmen find it very desirable to get to work as early as possible in the morning when prospects are fresh physically and mentally and are more ready to listen to something that concerns themselves. They want to get their important and emergency work out of the way but the insurance salesman should not wait until noon before he starts on his mission. An early start almost always insures a good day.

Over 60% of the average salesman's

PERSONAL SIDE OF THE BUSINESS

George Blomgren, manager of the Minneapolis Underwriters Association and a former Minnesota field man, and Mrs. Blomgren have just celebrated their 25th wedding anniversary.

in the business in 1882 and three years later became a field man for Security of New Haven. He later retired to de-vote his entire attention to his local agency. His son, W. W. Pembroke, is agency. His son, Wassociated with him.

Charles F. Brown was honored by fficers and directors of Excelsion at officers and directors Syracuse on completion of 25 years as an agent of the company. Mr. Brown, an agent of the company. Mr. Brown, 86, operates one of the oldest and larg-

UNDERWRITER NATIONAL

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO 4, ILL. Telephone Wabash 2704. EDITORIAL DEPT.: C. M. Cartwright, Editor. Levering Cartwright, Managing Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor, Kenneth Force. BUSINESS DEPT.: John F. Wohlgemuth, President, Howard J. Burridge, Vice-President and Secretary. John Z. Herschede, Treasurer.

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Street. E. H.

latiron Resiest agencies in Cortland, N. Y. He was appointed agent shortly after the company began writing business. A member of the New York legislature five years, he was mayor of Cortland four years. President Robert C. Hosmer presented Mr. Brown an appropriate

Don W. Sigler, for two years associate editor of "The Insurance Magazine" at Kansas City, has been named assistant editor of "The Rotarian," Chi-

Walter H. Bennett, counsel of the National Association of Insurance Agents, will act as counsel to the firm of Dimmock, Snyder & VanPatten, New York law firm, in the general practice

G. W. McIndoe, vice-president of Talbot, Bird & Co., New York City, marked his 25th anniversary as an associate of the firm, and was honored by the Quarter Century Club of that organization at a luncheon.

DEATHS

Emanuel Rondou, 75, 40 years a local agent in Green Bay, Wis., died there after a brief illness. Two of his three sons, Joseph and Edgar, have been associated in the action of the second of the seco sociated in the agency.

sociated in the agency.

Mrs. Louise M. Chartier, 86, widely known among insurance people, died at a hospital in Wausau, Wis., after an illness of four days. She started her long insurance career there in 1893, and continued active until her last illness. For many years she was head of the Chartier Insurance Agency and for the last two years was associated in an advisory capacity with the Bissell agency. She lived in Wausau since 1892. Mrs. Chartier's husband, the late Frank E. Chartier, who died in 1912, was secretary of the Wausau Mutual, which was taken over by Dubuque Fire & Marine

WANTED IMMEDIATELY

Women's Executive—Clerical PRIORITIES ADMINIS-TRATOR\$250

EXECUTIVE SECRETARY PERSONNEL ASSISTANT.\$225 OFFICE MANAGER......\$225 STENO-BOOKKEEPER ... \$200

SALES CORRE-.....\$200 SPONDENT .. F. C. BOOKKEEPER.....\$200

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O'SHEA EMPLOYMENT

64 E. Jackson Blvd. Wab. 1884

about 1900. Mr. and Mrs. Chartier and their son, the late Ray E. Chartier, then established a local agency. Mrs. Chartier was the sole survivor and dissolved the firm in 1939.

Maxie Huett of Tecumseh, Okla., is reported killed in action. Before entering service he was connected with local agency there conducted by his father, agency there F. B. Huett.

Dan M. Craddock, 69, for more than 46 years senior member of the Dallas local agency of Craddock & Smith, died there after an extended illness. He retired from active business about a year

Oscar A. Reiter, 50, deputy Minnesota fire marshal, died from a heart attack. He had been with the department since 1940 and previously had been in the insurance business in Rochester, Minn.

Minn.

E. Weston Roberts, 51, editor since 1913, of the "Insurance Advocate" of New York City, died at his home in Winsted, Conn., Sunday night following a heart attack. Mr. Roberts was president of the Index Publishing Company and editor and owner of the "Convention Year Book." Before moving to Winsted about a year ago he lived in Wyoming, N. J., a suburb of New York City. He was for 10 years general manager of the annual "Hi-Ho" variety show in nearby Millburn, an outstanding amateur theatrical performance that drew patrons from a large area.

Thomas Walsh, 6, only son of Thomas

Thomas Walsh, 6, only son of Thomas A. Walsh, manager of the Atlantic Underwriters western department office at Covington, Ky., was killed in an automobile accident on the Dixie highway at Fort Mitchell, Ky.

E. R. Pope, state agent of Home in Louisiana, died at Baptist Hospital, New Orleans. He had been ill for some time with a heart ailment. Mr. Pope had been with Home 13 years and before that was with North British.

rand been with Home 13 years and before that was with North British.

William M. Prindle, 82, founder and president of the Prindle-Jones Co., general and local agency at Duluth, died at his winter home in Pasadena, Cal. He founded the agency in 1884 under the name Clague & Prindle. In 1913 the Minnesota corporation of W. M. Prindle Co. was formed. In 1919 it became Prindle-Jones Co. He was prominent in the iron ore industry and in financial and business circles.

Daniel A. Bickheart, 50, for 20 years Cook county special agent for Phoenix of Hartford, died at his home in Maywood after a long illness. He had been with the company 25 years, first in the Chicago office and then in the field, all in Cook county. He had been ill for about two years, and three months ago was retired on pension. He was a past president of the Cook County Field Club and long active in its affairs. and long active in its affairs.

Use FBI crime reports in selling burglary insurance. Write for samples of "Why You Need Burglary Insurance Protection." National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

IN U. S. WAR SERVICE

J. Ray Donahue, Pittsburgh, resident ce-president American Casualty, has een notified that his son, Lt. Walter

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Sulle St., Chicago, June 19, 1944

Par Div. Bid Asked vice-president American Casualty, has been notified that his son, Lt. Walter been notified that his son, Lt. Walter Donahue, air force bombardier, is a prisoner of war in Germany. Lt. Donahue had been missing since flying a special mission March 6. Two days before, he had bombed Berlin with his regular crew and two days later this plane was also reported missing, the crew later being reported prisoners.

Mr. Donahue's other son, Lt. J. R. Donahue, Jr., has received the Purple Heart as a member of the "Fighting Cock" squadron of the 12th Air Force. He was shot down over the Mediter-

He was shot down over the Mediter-ranean in a Thunderbolt, but got out of his sinking plane although wounded. He has completed 50 missions.

Ralph H. Hall, formerly with D. F. Broderick, Inc., at Seattle and prior to that time with United Pacific in the northwest and California, is now a major in the army transportation corps, directing marine operations at one of the invasion ports on the English coast.

Lt. William Newnan, who before entering the army was connected with the Detroit Insurance Agency and whose father is Henry L. Newnan, vicewhose father is Henry L. Newnan, vice-president of that agency, had been reported missing in action since Jan. 30, but he turned up safely in Rome when the Allies entered that capital and he had a thrilling story to tell. He was one of the group of Rangers that captured Cisterna, Jan. 30, and then was annihilated when supporting troops were unable to come up. He was taken to a German prison camp in northern Italy but escaped Feb. 3 and made his way to Rome where he donned civilian clothes and was concealed by friendly Italians. He was one of two survivors of the third battalion of U. S. Rangers, Lt. D. R. Luckham, now on active

Lt. D. R. Luckham, now on active duty with the navy on a leave of absence as administrative assistant of the California insurance department, who recently was ordered to the Atlantic Coast for duty, has been placed in command of one of the new type salvage and rescue vessels being constructed by the navy and is supervising its outfitting.

Convention Dates

June 28-29, Indiana field clubs, Lake Wawasee.

June 30, New Jersey Mutual Agents, Trenton, Stacey Trent Hotel.

Aug. 9-10, Georgia agents, Albany, Radium Springs Casino.

Aug. 15, Washington agents, Seattle, Olympic Hotel. Aug. 22-24. Blue Goose Grand Nest, Denver.

Sept. 7. Alabama agents, Montgomery, Jefferson Davis hotel. Sept. 7-9, International Association of Insurance Counsel, Chicago, Edgewater Beach Hotel.

STOCKS

	Par	DIV.		Asked
Aetna Cas	10	5.00*		135
Aetna Fire	10	1.80*	48	50
Aetna Life	10	1.40*	34	35 1/2
Aetna Life Amer. Alliance.	10	1.05*	20	21 1/4
Amon Cas	10	.60	1136	1216
Amer. Equitable	5	1.00	16	35 1/2 21 1/2 12 1/2 17
Amer. Home	10		10	11
Amer. (N. J.)	2.50	.60*	1.4.80	1514
Amer. Surety	25	2.50	57	59
BaltAmer	2.50	30.	6 34	6 %
Boston	00	21 00*	555	
Camdon Fire	5	1.00	20 1/2	2114
Contl Cos	5	1.60*	0.72	90.17
Camden Fire Contl. Cas Contl., N. Y	9.50	2.00*	44	
Fidelity-Phen	9.50	9 90 0	46 1/2	4714
Fine Agen	10	2.50*	60	471/2 62
Fire Assn Fireman's (N.J.)		4.0	12	13
Fireman's (N.J.)	10	2.00	84	86
Fireman's Fund	10	3.00		0.5
Franklin Fire	a	1.00	24	43 14
Glebs Falls	0	1.80	41%	9 76
Fireman's Fund Franklin Fire Glens Falls Globe & Repub. Gt. Amer. Fire.	0	.50		
Gt. Amer. Fire.	0	1.20*	27	28 1/2 27 1/2
			20.79	97
Hartford Fire	10	2.50	95	97
Home (N. Y.)	9	1.20	271/2	28 1/2
Ins. Co. of N. A.	10		83	85
Maryland Cas	1		7 1/4 66 1/2	- B 24
Mass. Bonding	12.50	3.50	66 1/2	68 1/2 26 1/2
Natl. Cas	10	1.25*	25 57	26 1/2
Natl. Fire	10	2.00	57	581/2
Natl. Liberty	2	.30*	6 1/4	6 %
Natl. Un. Fire	20	5.00*	166	171
New Amst. Cas. New Hamp	2	1.00	24 1/2	25 1/4 44 1/4 22 1/4 25 78
New Hamp	10	1.80*	42 1/2	44 %
North River	2.50	1.00	21 1/2	22 1/2
Ohio Cas	5	.70	23 1/2	25
Phoenix, Con		3.00*	76	78 15 1/4 33 1/4
Preferred Acci	5	1.00*	1436	15 1/2
Prov. Wash	10	1.40*	32	33 1/2
St. Paul F. & M.				
Sanualta Conn	10	1 40	19.4	36
Sprefid. F. & M.	25	4.75*	115	118
Sprgfld. F. & M. Standard Acci. Travelers U. S. F. & G U. S. Fire	10	2.50	60	62
Travelers	100	16.00	463	473
U. S. F. & G	10	1.50*	35 1/4	36 1/2
U. S. Fire	4	2.00	47	49
*Includes extra	as.			

IRB Rule on Involuntary Conversion of War Plants

WASHINGTON—The Internal Revenue Bureau has reached the conclusion that where war plant emergency facilities are destroyed by fire, then the plant management must secure new certificates of necessity from the War Production Board, in order to have costs of rehabilitation, reconstruction or replacement treated on the adjusted basing propages of amortization under secfor purposes of amortization under section 124 of the code.

War plants are permitted to amortize rapidly the cost of emergency facilities,

for tax purposes.

The opinion was asked by the M company, whose "emergency facilities" were partially destroyed by fire in October, 1942. It asked if its original October, 1942. It asked if its original certificates of necessity would be effective. The bureau opinion is contained in I. T. 3667, which refers to section 112 (f) of the code providing that "no gain shall be recognized, but loss shall be recognized, if property, as the result of its destruction in whole or in part," converted to certain uses under conditions specified.

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MARSH & MCLENNAN

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Multiple Writing Power Studies to Be Continued

Sharp Collision Occurs in Debate Over Diemand Report to Commissioners

Although far overshadowed by the supreme question of what position should be taken in the situation created by the Supreme Court decisions in the commerce cases, the National Association of Insurance Commissioners at its Chicago convention did contrive to devote considerable attention to what would otherwise have been the capital issue of multiple line underwriting powers for fire and castualy insurers.

The laws and legislation committee held two meetings on the subject durneid two meetings on the subject dur-ing the week at which sharp differences were expressed and the association adopted the committee report submitted by Fraizer of Nebraska to the effect that the committee considers the report of the industry committee which recom-mended five specific changes in the dimended five specific changes in the di-rection of multiple line underwriting, in a favorable light, and recommends that the new administration authorize the continuance of the Diemand committee "in view of the large amount of hard work which had been performed by that committee up to now and in view of the large amount of valuable data which has been accumulated by that committee."

New York Votes "No"

When the vote was taken, Superintendent Dineen of New York announced that he would have to vote "No." He explained that he had just seen the Diemand committee report the previous week and had only seen the 18 page opposition memorandum adopted by the Insurance Executives Association and the Association of Casualty & Surety Executives during the week of the convention. He said he had not had an opportunity to study the matter and that his negative vote should not be taken to indicate either approbation or criticism. indicate either approbation or criticism. He expressed the belief it is premature for the association to consider the report "in a favorable light."

McCormack of Tennessee and Allyn of Connecticut then arose to say that their votes approving the Fraizer report were not to be construed as favorable action on the Diemand report itself.

The first meeting on the subject came

off on schedule and attracted a large crowd, including a number of Chicagoans who went to the hotel to take in that particular session. However, all com-mittee meetings thereafter were thrown off schedule on account commissioners preoccupation with ques-tions involved in the Supreme Court de-cision and the Fraizer committee was not able to hold a second meeting until the final day of the session. News that this meeting was being held did not get around extensively and it was a smaller group but the exchanges were more heated than at the first meeting.

Diemand Presents Report

At the first session John Diemand, president of the North America companies, as chairman of the industry com-mittee, read the report which his group had prepared and which had been made available a few days in advance in printed form. The committee, it will be

(CONTINUED ON PAGE 27)

A. & H. Association Annual Meeting On

Financing and Expansion Plans Center of Interest at St. Louis Gathering

By FRANK A. POST

ST. LOUIS-The topic of greatest interest as the National Association of Accident & Health

Underwriters opened its annual meeting here
Wednesday was
the new financing
plan which has been worked out by the association's planning commit-tee, headed by E. H. Mueller of Milwaukee, providing for five-year pledges in sufficient amount to enable an extension of the



National association's work, including the employment of a full-time executive

A contest over the presidency seems to be in prospect. Under the procedure usually followed, Clarence A. Sholl, president of Globe Casualty, Columbus, O., who has been vice-president the past year, would advance to the presidency. However, considerable sentiment has developed to the effect that the direction of the National association's affairs should be in the hands of a field man rather than a company executive, which is the only ground of opposition to Mr. Sholl, and it seems likely that a candidate from the agency field will be presented.

Candidates for Conventions

Denver and Buffalo, which is repeating the invitation extended last year, are seeking the next annual meeting, with Omaha and Wichita as the chief can-didates for the winter meeting.

The St. Louis committees headed by Robert J. Barrett, General American Life, as general convention chairman, lined up a very valuable program for the convention, which brought out an excellent attendance.

General Chairman Barrett presided at General Chairman Barrett presided at the opening session. J. Leon Hughes, Columbian National, president St. Louis association, extended greetings and Homer J. Bisch, National Casualty, To-ledo, National association president, gave his presidential address.

Bisch Reviews Developments

Mr. Bisch presented a comprehensive review of developments of the past year. He stressed the need for more effective association organization because of the (CONTINUED ON LAST PAGE)

Colonial, Cal., Into Auto Field

Colonial of Los Angeles has entered the full coverage automobile underwrit-ing field at non-conference rates. A ing field at non-conference rates. A \$50,000 increase in capital and \$50,000 addition to surplus recently was approved by the California insurance department. The company issued 5,000 additional shares of \$20 par value. This brought capital to \$150,000. The company formerly concentrated on workmen's compensation, liability and property damage business. At the end of 1943 the company had capital of \$100,000, surplus of \$123,000 and assets of \$1,048,000. \$1,048,000.

Reimmuth to Louisiana Post

Louis A. Reimmuth, statistician of the Louisiana Casualty & Surety Rat-ing Commission, has resigned to become

Auto Cover for Disabled Veterans **Needs More Study**

After discussing at some length the matter of providing automobile insurance for disabled war veterans, the casualty and surety committee of the National Association of Insurance Com-missioners appointed a subcommittee to continue to investigate the problem. It consists of Viehmann of Indiana, chairman, J. P. Gibbs of Texas and Harlan Justice of West Virginia.

The action was approved by the asso-

ciation in adopting the report of Bowles of Virginia as chairman of the casualty

and surety committee.

The committee also recommended that the War Department be requested to issue a ruling that the solicitation of asualty insurance at army posts be confined to insurance companies that are authorized in the state in which the post is located. The committee, Mr. Bowles said, had received reports that insurers said, had received reports that insurers and the state of the state not authorized in a state were soliciting casualty insurance at army posts located in that state. Some time ago the War Department stopped the solicitation at army posts on the part of unauthorized

life insurance companies.

The committee had received a suggestion from C. H. Burras, president of Joyce & Co., Chicago, and secretary National Association of Casualty & Surety Agents, that the association license without written examination recipients without written examination recipients of the Chartered Property & Casualty Underwriter (C.P.C.U.) designation. The casualty committee recommended that the letter be referred to the com-

missioners individually.

At the hearing on the question of automobile insurance for disabled veterans, A. V. Gruhn, manager American Autonobile insurance for disabled ver-erans, A. V. Gruhn, manager American Mutual Alliance, declared that what is needed eventually is a well integrated program that will be followed without program that will be followed without variation. There must be cooperation with various agencies including those handling the automobile license laws. He expressed doubt that it is possible at this time to fashion a comprehensive, significant resolution in the field. About all that could be done now would be to sanction a statement that a disabled veteran is entitled to preferred consideration.

Should Avoid Publicity

Various elements in the business, he

Various elements in the business, he declared, should not try to beat one another to the gun in promulgating resolutions. It is an all industry problem and an effort should not be made to curry favor by publicity.

Use of the assigned risk plan principle should be left as a final resort. It may be necessary to set up some sort of a service organization but such action should not be taken at this time.

A. E. Spottke, head of the automobile department of the National Bureau of Casualty & Surety Underwriters, read the resolution that the Association of Casualty & Surety Executives adopted recently on the subject. Mr. Spottke said it is too early to submit a detailed plan.

Assigned Risk Idea

Thompson of Oregon suggested that wide development of the assigned risk plan might provide the answer.

Mr. Spottke declared that the assigned risk idea may be the ultimate answer but he said there are certain problems involved. For instance, the assigned risk plan embraces the idea of imposing a surcharge and it is not the intention to impose a premium penalty upon disabled veterans. upon disabled veterans.

manager of the insurance section of the department of finance of the state. Mr. Reimmuth has been with the rating commission since November, 1936.

Withdraw Manual Filings in View of **Commerce Decision**

National Bureau Rescinds Auto and Glass Move— Boiler Plans Changed

NEW YORK-Two manual filings of the National Bureau of Casualty & Surety Underwriters for automobile liability and plate glass insurance which had been made with the New York department have been temporarily withdrawn by the bureau. They were to become effective this month. The action is the first by a rating organization taking cognizance of the Supreme Court decision that insurance is commerce and also may be the first indication that the reasoning of the court in the Parker vs. Brown raisin industry case in California will be relied upon as a guide in deter-

mining future rating policy.

The new boiler and machinery manual filed with the New York department does not become effective until July 1 and there is sufficient time for the companies to reexamine their position in this respect if necessary. The new manthis respect if necessary. The new man-ual will become effective only in New York on that date. The bureau clearly would not wish to prejudice its position in view of the Supreme Court decision and until the member companies are able to decide what their future course will be, the manual filings are being held

temporarily in abeyance.

See No Remedial Action After the decision, a meeting of the bureau's executive committee was held and no conclusions were reached exceptand no conclusions were reached excepting that a special committee of five was appointed to investigate the situation and make a report. Until the National Association of Insurance Commissioners meeting was held, it seemed inadvisable to take any action in view of the possibility of some course of action being taken at that meeting. It appears now that no remedial action will be taken by Congress until fall and the companies will have to decide how to chart their course in the light of the decision until further governmental or Congressional action is taken. A meeting of the special committee was held late Wednesday.

The significance of the Parker vs.

cial committee was need take. Parker vs.
The significance of the Parker vs.
Brown case in indicating the course a rating organization might follow is pointed out by an observer. This case was referred to at length by the government in its brief in the S.E.U.A. case. Its effect, which is the position of the government in its brief, is that in states where the power to approve or disap-prove insurance rates exists and where the decision is binding on the companies, the Sherman anti-trust act has no effect. The bureau, therefore, will desire to de-termine which states have effective au-thority over rules and rates.

Lack Statutory Provision

Some states claim regulatory authority over rates, but there is no statutory provision for its exercise. The government's brief points out that state laws prescribing qualifications necessary for doing business in order to safeguard the interests of policyholders, regulating re-serves and investments, providing for the inspection of books and the filing of rates and reports, and prescribing qualifications for agents obviously are not affected by the Sherman act. The same is true of state anti-discrimination and

(CONTINUED ON LAST PAGE)

Fidelity-Surety Experience in 1943

of companies licensed in New York to-taled \$54,186,689 in 1943, a decline of \$9,102,236 or 14.4% from the \$63,288,925 total in 1942, according to a New York insurance department tabulation. However, the 1943 total exceeded those for the three years prior to 1942. The surety loss ratio dropped from 12.3% in 1942 to 5.4% while the expense ratio was cut from 55.9% to 45.8% in 1943.

1942 to 5.4% while the expense ratio was cut from 55.9% to 45.8% in 1943. The net underwriting gain went up from 31.8% to 48.8% in 1943. Federal income tax was the only expense item to show an increase.

The New York licensed companies registered a 5.6% gain or \$2,262,218 in countrywide fidelity earned premiums with a \$42,376,907 total in 1943 compared to \$40,114,689 in 1942. The loss ratio of 12.8% was the lowest in five years, being 9.1% less than the 21.9% in 1942. The expense ratio went up slightly to 55.7%, the federal income tax, acquisition and field supervision and general administration all rising.

In New York state 1943 surety earned premiums totaled \$6,422,720 compared to \$7,142,434 in 1942 and \$7,747,426 in 1941, the five year high mark. Due to the release of large reserves the loss ratio was —15.6 in 1943, compared to 10.7 in 1942. New York fidelity premiums went up from \$7,327,003 to \$8,239,706 in 1943 while the loss ratio showed a decided improvement, dropping from 31.6% to 19.2% in 1943.

The New York department's tabulation on country-wide business is shown in the accompanying table.

tion on country-wide business is shown in the accompanying table.

Diffenbaugh Heads A. & H. Dept. of Bankers National

Bankers National Life has appointed Robert P. Diffenbaugh to organize and manage its accident and health depart-ment. It will be some weeks before the company offers accident and health contracts. Mr. Diffenbaugh has been in the accident and health selling, un-derwriting and claim field for the past 10 years. Mr. Diffenbaugh has been eastern

Mr. Diffenbaugh has been eastern agency superintendent of Continental Casualty for the commercial accident and health and non-cancellable divisions, outside New York City, for two years. Before that he was in production work for the company in Philadelphia and had been with Continental Casualty about five years.

Forming Ill. Aviation Reciprocal

The Illinois insurance department has granted a permit to the Automotive has granted a permit to the Automotive Insurance Agency, attorney-in-fact for the Aeronautic & Automotive Exchange, Kankakee, to solicit applications for advance premiums and deposits for insurance, Gerald Francis, who operates the Capitol City Airport at Lansing, Mich., is understood to be the principal behind the reciprocal. The exchange has two years in which to complete organization.

Casualty Talks in Southern Cal.

George Wilson, Maryland Casualty, addressed the Whittier (Cal.) Insurance Exchange on "Fidelity, Forgery, Boiler and Machinery Insurance." F. T. Homer, Hartford Accident, talked to the Santa Barbara Insurance Agents Association on "Personal Compensation Liability Insurance" and Marvin Jonas, Glens Falls Indemnity, spoke before the Glendale Insurance Exchange on "Forgery, Burglary, Boiler and Machinery Insurance."

Wallace Hicks of the Seyler-Day general agency will speak before the Orange County Insurance Agents Association at Anaheim, Cal., June 26, on "Forgery, Burglary, Boiler and Machinery Insurance."

	COUN	FRYWIDE	1943 SU	RETY EXI			Incurred E	rnense Ra	tios
	—Unde	erwriting Ra	itios—		Claim	cquisitio and Field	n General	Inspectio	n
Premiums Earned	Loss	†Expense	†Net Gain	Fed. Inc. Tax	Adjust- ment	Super- vision	tration		Taxes and Fees
Accident & Casualty \$ 41,380 Actna Casualty 3,024,115	8.3 2.8	$\frac{41.1}{49.4}$	$\frac{50.6}{47.8}$	25.5	$\frac{1.4}{7.0}$	$\frac{25.0}{25.6}$	8.8 13.9	2.3	3.6 2.5
American Credit Indem 155 American Employers 367,153 American Motorists 8,017	$\frac{17.8}{40.5}$	56.2 62.3	$\frac{26.0}{121.8}$	8.1 36.2	3.4 3.8	36.3 78.0	12.9 7.5	.5	3.1
American Mutual Liab 1,314 American Re 1,346,323	20.3	$\frac{25.9}{40.4}$	74.1 39.3	1.1 14.1	***	$\frac{9.4}{31.7}$	14.5 6.2	.1	1.9 2.2
Associated Indem 2,316,332	3.3	61.2 57.5	35.5 43.2	9	8.1	$\frac{25.8}{37.4}$	$\frac{25.9}{16.2}$.5	3.2
Car & General 20,883	37.8	39.7	22.5		7	23.5	11.5	1.9	3.5
Central Surety	$ \begin{array}{r} 21.7 \\ 4.9 \\ -23.7 \end{array} $	30.4 48.4 42.0	47.9 46.7 81.7	17.1 92.6	2.8 8.5 7.4	$15.4 \\ 27.4 \\ 23.0$	8.7 9.7 6.3	.6 2.2	3.0 2.2 3.1
Columbia Casualty	-12.6	68.6 59.8	31.5 52.8		10.9 12.5	$\frac{31.0}{25.3}$	20.8 18.1	2.2	3.7
Eagle Indemnity	$\frac{-4.8}{13.2}$	54.2 56.2	50.6 30.6	18.7 2.5	$\frac{7.6}{4.1}$	$\frac{23.5}{35.5}$	17.8 14.5	.6	4.7 1.6
Employers Re	$\frac{21.5}{20.7}$	40.7 31.5	37.8 47.8	11.8 16.8	6.1 3.0	$31.4 \\ 27.3 \\ 28.8$	2.8 1.0 3.3	.2	.2 .1 4.5
Excess	-13.1 -11.1 2.0	$\frac{38.3}{48.6}$ $\frac{52.4}{6}$	74.8 62.5 45.6	$ \begin{array}{c} 3.4 \\ 10.8 \\ 22.1 \end{array} $	1.7 5.2 5.2	25.6 32.9	12.6 10.2	1.2 1.2	4.0
Fireman's Fund Indem. 416.328	$\frac{8.6}{35.3}$	35.3 31.5	56.1 33.2	18.7	4.6 5.8	17.3 18.4	$9.6 \\ 4.3$.8 .2 .2	3.0 2.8
General Casualty 633,062 General Re. 923,449 Genl. Transpor. 611	10.3	57.0 24.7	32.7 75.3	$\frac{8.9}{15.2}$	5.2 6.7	46.7 13.3	3.3 6.2	1.1	$\frac{1.6}{4.1}$ $\frac{2.7}{2.7}$
Glens Falls Indem	-1.8 -14.4	43.0 56.0 48.5	14.7 45.8 65.9	$\frac{17.7}{33.2}$	11.0 6.7	22.7 27.4 22.5	$\begin{array}{c} 9.6 \\ 15.1 \\ 15.6 \end{array}$	1.3 .5 1.1	2.0 2.6
Guarantee of N. A 201,028 Hartford Accident 2.601.078	$\frac{-1.6}{-8.5}$	47.3 47.1	54.3 61.4	18.7 24.8	7.6	34.4 23.4	$\frac{11.1}{13.3}$.4	1.7 2.4
Home Indemnity	-16.3 -12.9	35.2 45.9	$\frac{81.1}{67.0}$	$\frac{56.0}{34.4}$	$\frac{2.3}{6.1}$	25.8 24.3	$\frac{3.9}{12.5}$	1.0	2.7
Liberty Mutual 1,231	-4.0 -5.0	$75.0 \\ 21.9 \\ 32.1$	$\begin{array}{c} 29.0 \\ 78.1 \\ 72.9 \end{array}$	16.9	4.4	$ \begin{array}{c} 8.8 \\ 11.0 \\ 24.0 \end{array} $	59.5 10.0 1.3	···	6.7 .9 2.3
London Guarantee 11,003 London & Lanc. Indem 145,879 Lumbermen's Mut. Cas 14,608	-8.1 40.0	64.5 106.7	43.6 -46.7	2.2	13.4 5.0	32.1 89.7	13.6 8.2	1.6	3.8 3.0
Manufacturers Casualty 203,895 Maryland Casualty 3,268,895	$\frac{-3.0}{4.1}$	51.6 47.5	51.4 48.4	.9	2.7 6.2	$\frac{31.9}{27.3}$	$11.2 \\ 10.6$	1.5	3.0
Massachusetts Bonding 1,372,218 Merchants Indemnity 156,032	18.4 4.2 29.4	34.1 39.1	84.3 56.7	$\frac{55.0}{21.9}$	5.9	$19.0 \\ 30.0 \\ 27.2$	5.1 7.1	.3 —2.1	3.8 1.9 3.2
Metropolitan Casualty 194,100 National Casualty 32,232 National Surety 4,251,597	14.3 8.9	49.0 51.4 47.4	21.6 62.9 43.7	18.4	3.7 6.7 6.1	25.7 27.2	$17.0 \\ 14.3 \\ 10.0$.8	3.9 3.2
	13.5	43.3 15.2	43.2 84.8	18.3	9.9	$\frac{22.1}{10.2}$	8.5 4.0	.3	2.2
New York Casualty 336,603 No. Amer. Cas. & Sur. Re. 52,104	$\frac{-2.5}{50.0}$	47.2 14.2	55.3 35.8	14.9	5.0 2.1	27.2 11.7	12.3	.3	2.4
Ocean Accident 100,912 Peerless Casualty 461,638 Phoenix Indemnity 2,091 Preferred Accident 498,747	$-38.2 \\ 28.9$	45.5 44.6 33.5	92.7 26.5 66.5	49.5 26.0	19.1	21.8 33.3 30.4	9.5 9.2 1.1	.1	3.2 1.2 2.0
Preferred Accident 498,747 Royal Indemnity 386,622	66.8 —36.4	36.4 48.3	-3.2 88.1	32.4	9.5 1.2	23.2 24.0	4.2 19.3		8 3.3
St. Paul Merc. Indem 1,199,163 Seaboard Surety 1,390,098	5.4 14.1	47.6	47.0 43.2	25.1 29.7	3.9 6.0	25.9 18.5	$\frac{13.5}{9.3}$	6.2	3.4
Security Mut. Cas 2,510 Standard Accident 2,598,801	4.3	32.0 45.7	67.9 50.0	$\frac{2.7}{17.8}$	4.1	27.5 27.2	10.7	1.1	1.6 2.6
Standard Surety 133,247 Sun Indemnity 51,290 Travelers Indemnity 1,112,341	-6.0 -6.0 9.8	52.7 34.9 49.9	48.0 72.0 40.3	28.0	20.8 6.4 6.6	25.9 19.7 24.6	3.6 5.4 16.1	.7 .8 .5	1.7 1.7 2.1
U. S. Casualty 205,589	29.6 1.7	57.9 41.1	12.5 57.2	4.5	3.4	30.1 25.8	21.5 9.2	.9	2.0 2.6
Western National Indem. 137,056	$\frac{5.1}{4.0}$	22.5 42.4	72.4 53.6	52.4	7.4	9.6 22.4	10.6 8.8 2.2	.3	3.1
Yorkshire Indemnity 389,050 1939 Total\$43,209,975	20.6	65.0	14.4	13.2	9.3	38.5	13.5	.9	6.4
1940 Total	11.9	66.6 59.9	$\frac{21.5}{29.5}$	5.6	8.9 6.7	35.0 36.6	13.8 12.4	1.0	7.9 3.3
1942 Total 63,288,925 1943 Total 54,186,689	12.3 5.4	55.9 45.8	31.8 48.8	11.8 15.4	5.9 5.4	$\begin{array}{c} 34.7 \\ 26.2 \end{array}$	11.3 10.9	.8	3.2 2.5
		TYWIDE 19	43 FIDE	LITY EXP					
Accident & Casualty\$ 23,010 Aetna Casualty 1,998,062	23.2 15.4	75.7 60.6	1.1 24.0	12.7	5.9 8.4 3.2	$36.9 \\ 31.0 \\ 42.0$	$17.2 \\ 17.5 \\ 10.6$	4.7	11.0 3.4 2.7
American Employers 306,916 American Guaranty 135,648 American Motorists 46,885	$10.1 \\ 41.0 \\ 40.0$	58.8 36.6 52.9	31.1 22.4 7.1	14.0	6.5 5.8	19.6 35.9	4.6 8.2	3.3	2.6 2.5
Amer. Mut. Llab 219,859 American Re 751,207	27.3 24.4	40.1 59.3	32.6 16.3	1.2 5.8	6.0	49.5	31.4 6.6	3	3.2 2.9
American Surety 3,723,789 Associated Indem 19,895 Bankers Indemnity 111 Car & General 3,446	9.9	61.4 86.5	36.6 3.6	-2.6	4.3	$\frac{32.1}{59.0}$	21.5 19.1	.5	2.6 3.5
Car & General	10.6 17.9	30.2 65.3	59.2 16.8	6.0	4.0	11.3 34.5	12.2 20.0	1.9	4.7 5.7
Columbia Casualty 200 464	17.9 8.0	49.8	32.3 48.1	54.7	8.2 5.1	30.3 27.3	7.2 7.6	.7	3.4
Commercial Casualty 238,563 Continental Casualty 585,356	13.6 11.3	58.7 60.4	$\frac{27.7}{28.3}$	15.3	$\frac{4.6}{17.3}$ $\frac{10.2}{10.2}$	$\begin{array}{c} 31.2 \\ 22.4 \\ 26.6 \end{array}$	19.0 16.9 18.2	.9 .7 .6	$\begin{array}{c} 3.0 \\ 3.1 \\ 2.4 \end{array}$
Eagle Indemnity 142,294 Employers Liability 495,870 Employers Reinsurance 604,799	$12.7 \\ 15.2$	58.0 59.4 82.4	41.9 27.9 2.4	2.1	3.1 2.1	42.3 68.8	9.5 7.7	:4	4.1 3.1
European General Re 1,144,852 Excess 55,775	$\frac{34.4}{25.8}$	61.3 50.5	4.3 23.7	1.5	2.0 2.1	57.0 40.1	2.0 3.8	.1	4.5
Fidelity & Casualty 1936.844	26.8 16.6	-10.2 54.5	83.4 28.9	1.0 7.7	5.2 8.2	4.6 23.7 39.8	-22.9 17.2 11.7	1.9	2.1 3.5
Fidelity & Deposit 5,405,779 Fireman's Fund Indem 275,208 General Casualty 148,701	$17.8 \\ 19.0 \\ 22.0$	63.8 56.0 46.4	$18.4 \\ 25.0 \\ 31.6$	8.9 17.8	8.4 7.6 6.0	24.1 29.2	18.2	1.4	3.5 4.7 3.8
General Reinsurance 754,157	15.5 19.9	59.8 59.6	24.7 20.5	6.8	$\frac{1.7}{9.1}$	50.7 27.4	4.7 16.9	.4 .3 1.5	2.4
Globe Indemnity 600,321 Great Amer. Indemnity 411,089	$\frac{-1}{14.2}$	$52.1 \\ 51.6$	$\frac{48.0}{34.2}$	18.8 18.3	7.1 5.4	28.8 26.8	13.0 15.2	1.4	2.8
Hartford Accident 2386.616	21.9 6.3 8.7	63.6 45.7 40.5	14.5 48.0 50.8	5.0 19.4 34.7	1.5 5.3 6.0	$\frac{36.1}{21.8}$ 18.2	21.8 15.3 11.9	.3 .5 1.3	3.9 2.8 3.1
Indemnity of N. A 1,295,578 International Fidelity 38,546	-12.9	46.2 65.4	48.9	25.2 28.4	5.5	25.1 3.4	11.8 55.3	.4	3.4 6.7
London Guarantee 149	31.6	32.1	36.3 15.5	1.2	6.5	11.0 23.2	11.5	2.2	3.1
London & Lanc Irdem 38,587 Lumbermen's Mut. Cas 121,100 Manufacturers Casualty 22,090	35.5 38.0 47.7	80.0 9.8 83.4	15.5 52.2 31.1	1.8	26.1 5.0 13.8	$\frac{23.2}{-7.8}$ $\frac{35.0}{}$	22.1 9.1 22.5	2.2 .7 3.0	$\frac{6.4}{2.8}$
Maryland Casualty 1,693,996 Massachusetts Bonding. 959,948	-1.5	59.2 56.9	21.8 44.6	29.1	12.7 12.6	32.7 28.0	10.1 11.0	.3	3.4
Merchants Indemnity 726 Metropolitan Casualty 126.487	7.6	76.4 61.0	16.0 38.8	7.4	7.7	56.4 28.7	18.5 19.5	.9	1.5 4.2
National Casualty 22,970 National Surety 3,892,487 New Amsterdam Cas 971,201	-45.5 8.6 5.0	56.3 56.1 49.4	89.2 35.3 45.6	14.8 19.3	8.0 5.7 5.4	25.1 32.5 28.7	18.3 13.8 11.1	1.2 .4 1.0	3.7 3.7 3.2
New England Cas 1,913	32.9	50.2 (CONTINUE	16.9		3.8	32.3	15.6	.4	-1.9

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1944

Minn. Federation in Annual Meeting

Retiring President Stresses Need for Public **Relations Activities**

MINNEAPOLIS—Members of the Insurance Federation of Minnesota should give more attention to public relations, President Otto L. Danek of Glencoe said in his address at the annual meeting here.

"Too many business men have regarded the term public relations as synonymous with advertising and publicity," he said. "It is neither. Sometimes advertising and publicity have an important place in a public relations program, but public relations itself is the sum total of the services that we or any other business render to the great mass of the public, which is the sole judge of how long we shall remain in business."

President Danek reviewed the growth of the federation from the time it was founded in 1914. All officers were reelected.

Secretary-treasurer Clyde B. Helm reviewed the federation activities the past year and submitted figures show-ing that the federation is financed 68% from company sources and 32% from agency sources.
"While the local agency group far ex-

ceeds the company group in the number of memberships and subscriptions, it seems eminently fair to me that nearly 70% of our annual budget is met by the companies and their state agents, general agents, managers and organizations," Mr. Helm said.

Westra Educational Director

J. D. Westra has been appointed edu-cational director of North American Life & Casualty. He will have headquarters in Madison, Wis., where he has been manager for several years and will conduct a permanent school for agents there covering both life and accident and health insurance. He was a teacher before entering insurance work in which he has been very successful.

Mitchell Held to U.S. Jury

LOS ANGELES—W. P. Mitchell was held for the U. S. grand jury by U. S. Commissioner D. B. Head on a charge of transporting falsely made and forged securities in interstate commerce.

He formerly was an employe of Continental Casualty in Chicago. It is alleged he surreptitiously secured a book of the company's claim drafts, forged signatures to them and cashed them in Chicago, San Francisco and Los Angeles. Mitchell was turned over to the F. B. I. and his arraignment followed.

Commissioners Weigh Social Security Proposals

The social security committee of the National Association of Insurance Com-missioners headed by Scheufler of Mis-souri, in its report at the Chicago meetsouri, in its report at the Chicago meeting, undertook to define the areas of the subject in which it is proper for the state officials to take a position and to make their influence felt. The committee concluded that it should make no recommendations with reference to the social aspects of social security legislation but should treat only the insurance angle with relation to specific legislation or to compare the social aspects of compulsory federal system with voluntary social security under individual choice and initiative.

Then the committee considered whether the commissioners wish to whether the commissioners wish to make findings of facts and recommenda-tions touching what is essential under the capitalistic system of free enterprise and what shall be considered as governmental paternalism.

General Socialization

The committee feels that the association is challenged by proposals that threaten to bring about general socialization and it suggests that any program particularly in regard to unemployment compensation, should be confined to those actually in need or in dire straits and not cover all individuals and be handled through a centralized government.

As to whether the association should make some recommendations covering make some recommendations covering costs and contributions the committee expressed the belief that the commissioners should make a study to point out the cost that any plan may have on the taxpayers. The committee points out that the cost of any federal program might constitute "an overload" upon present policyholders in private companies which would be a threat to those companies and to their investments.

The committee suggests that a study

The committee suggests that a study be made of the probable effect of fed-

eral legislation on the insurance industry as it now exists.

The commissioners, the committee states, should advocate the preservation of insurance as an institution of com-petitive free enterprise but it should not enter into the debate on the advantages and dangers of an enlarged program of governmental benefits. The commis-sioners should emphasize the advantages of the present insurance industry broad-ening its service coupled with a re-stricted social security program.

The committee leans to the view that

the original social security program is all that should be undertaken until the country has passed through at least one period of unemployment so as to de-

A. & H. Policy **Guide Gets** Final Approval

The National Association of Insur-The National Association of Insur-ance Commissioners at its annual meet-ing in Chicago put its final seal of ap-proval on the "Official Guide for the Filing and Approval of Accident & Health Contracts" to become operative July 1. The guide was prepared by a subcommittee of the accident and health committee in a series of painstaking de-liberations liberations.

The intention is to continue the studies and to propose modifications of the guide from time to time, with any modification to become effective six months after it is approved by the association. Many proposals are pending before the committee and there will be additional proposals. A. N. Guertin, ac-tuary of the New Jersey department, is author of extensive recommendations.

Massachusetts and Maryland are also sponsoring certain changes and Garrison of California, who presided at the meetings of the accident and health commit-tee, stated that California will soon sub-

mit several suggestions.

The accident and health committee held two meetings during the week. Mr. Garrison who had been delayed 30 hours because of high water in Nebraska, arrived just 10 minutes before the first meeting of his committee was scheduled. The association also acted favorably on the recommendation of the accident and the recommendation of the accident and health committee that the agreement reached some time ago between Com-missioner Harrington of Massachusetts missioner Harrington of Massachusetts and the seven Massachusetts companies writing non-can insurance for liberal treatment of Massachusetts policyholders entering military or naval service be recommended for adoption uniformly in the other states. The terms of this agreement had been previously publicited

The committee adopted one change in that pact that was recommended by John R. Maloney of the California de-(CONTINUED ON PAGE 28)

termine the adequacy of premium col-lections as well as the ability of the fed-eral agency to take care of the admin-istration of the program. Many industrial and insurance com-panies, the committee points out, have

put into effect plans that provide most of the benefits recommended by most of the cradle to grave advocates. Some companies, the committee states, may be too hesitant in expanding added coverage through private enterprise. There has been a tremendous increase in hospitalization availabilities at low cost and greater volume. State regulations should be applied to these plans so as not to allow any excuse for federal action.

Circumventing Wage Level Fluctuations

Texas Commissioner Treats Compensation Problems in Chicago

Recommendation was made by Casualty Commissioner J. P. Gibbs of Texas in a formal paper presented at the annual meeting of the National Association of Insurance Commissioners in Chicago Friday that workmen's compensa-tion premiums be developed by a multiplication of the rate and the maximum weekly wage to which compensation benefits are referred.

Mr. Gibbs expressed the belief that

benefits are referred.

Mr. Gibbs expressed the belief that the fluctuations in wage levels should be removed or minimized as a factor in rate making procedure. Wage levels cannot be accurately forecast and the fluctuations present difficult problems. For instance the decline in the wage level during the depression brought the premium to an unprofitable level whereas during the war years the great inas during the war years the great in-crease in wage rate has produced what the speaker referred to as "embarrass-

ing" profit.

Mr. Gibbs voiced the opinion that these abnormalities in underwriting results could be avoided if there is elimirated from premium computation and rate making procedure the part of the wages which constitutes that part of the payroll of an individual employe in excess of the amount necessary to produce the maximum benefit. For instance in a state which provides a benefit equal to 60% of the weekly wage with a maximum benefit. mum of \$18, the maximum amount of remuneration of an individual employe which would be subject to premium charge would be \$30 per week. This, he said, would take account of the fact that the actual exposure, insofar as in-demnity is concerned, is measured by that part of the payroll within limits necessary to produce the indemnity.

Payroll Auditing Problem

Mr. Gibbs said he recognized that Mr. Gibbs said he recognized that such a plan would require employers to record this adjusted payroll and that payroll auditing would be more difficult. Also he recognizes that a period of years would be required to develop the adjusted experience and adjusted rates. The program might be put into effect gradually.

effect gradually.

Mr. Gibbs mentioned the fact that "overtime bonus" has been eliminated as a basis for premium computation.

One large compensation insurer in Texas finds that this rule reduced its premium income about 6% arother premium income about 6% arother premium income about 6% arother program in the control of premium income about 6%, another company reports that it suffered a 10%

company reports that it suffered a 10% decline on this account.

Mr. Gibbs advocated a uniform system of reporting expenses in the workmen's compensation field. A special subcommittee on this subject, he recalled, last Feb. 28-29, met with the National Council on Compensation Insurance to see what could be done along this line. The sub-committee asked the National Council include in its report lines of insurance other than compensation because in the operations of multiple line insurers compensation, automobile and general liability lines are so interwoven general liability lines are so interwoven that allocation of expenses among the fines must be on an arbitrary basis.

Nationwide Experience

Whatever the commissioners' association approves for the reporting of ex-penses should be followed by each in-dividual commissioner. Mr. Gibbs said he believes that a determination of nationwide expense experience is more important than separate experience by states. The nationwide figures can then be adjusted for each individual state by known variant factors, such as premium tax and acquisition cost.

Mr. Gibbs said he favors including a profit factor in the rating formulas. This,

Countrywide Fidelity and Surety Experience in 1943 (CON'T FROM PRECEDING PAGE)

						nalysis of I		xpense Ra	t108-
				Acquisition					
	-Underwriting Ratios			Claim and Field General Inspection					
Premiums			†Net	Fed.	Adjust-	Super-	Adminis-	and	Taxes
Earned	Loss	†Expense	Gain	Inc. Tax	ment	vision	tration	Bureau	and Fees
New York Casualty 453,815	7.9	48.6	43.5		6.2	28.6	11.6	.3	1.9
Ocean Accident 228,377	-2.1	44.3	57.8	30.1	4.5	25.8	10.1	.8	3.1
Peerless Casualty 78,217	48.5	47.9	3.6		5.3	28.5	11.8	.1	2.2
Preferred Accident 83,765	9.3	50.5	40.2		10.9	33.7	7.7	.1	-1.9
Royal Indemnity 530,275	-24.2	53.4	70.8	27.3	8.7	25.2	15.8	.4	3.3
St. Paul Mercury Indem. 383,340	7.4	54.7	37.9	26.2	13.1	21.2	14.7 7.4	1.8	3.9
Seaboard Surety 338,986	20.3	59.7	20.0	14.0	14.5	28.4	7.4	5.1	4.3
Security Mut. Casualty 27,447	63.8	21.4	14.8	2.7	2.7	14.6	2.8	.2	1.1
Standard Accident 766,618	16.1	68.3	15.6	5.5	7.8	37.1	19.1	.8	3.5
Standard Surety 51,270	17.7	50.1	32.2		10.1	29.2	6.0	1.0	3.8
Sun Indemnity 42,166	42.0	45.0	13.0	5.0	8.5	22.2	9.0	1.2	4.1
Travelers Indemnity 448,849	34.8	72.0	-6.8		10.0	39.4	18.1	-4	4.1
U. S. Casualty 159,608	6.8	60.0	33.2	11.9	4.5	30.0	21.6	.8	3.1
U. S. Fid. & Guar 3,999,629	14.2	47.8	38.0		5.5	27.0	11.1	.4	3.8
U. S. Guarantee 852,229	12.9	38.3	48.8	35.4	2.1	12.1	20.5	.3	3.3
Western National Indem. 90,997	10.3	49.6	40.1		4.5	27.0	14.7	1.2	2.2
Yorkshire Indemnity 111,012	26.7	44.3	29.0	8.7	2.6	35.1	3.6	4 * *	3.0
				-		-	-		
1939 Total\$37,538,592	22.0	58.1	19.9		7.3	29.2	13.7	.6	7.3
1940 Total 37,589,842	23.1	56.7	20.2		7.1	28.3	13.7	.6	7.0
1941 Total 40,323,761	19.9	53.4	26.7	3.9	6.6	30.2	12.7	6	3.3
1942 Total 40,114,689	21.9	54.4	23.7	7.5	8.2	29.5	12.8	.6	3.3 3.3 3.8
1943 Total 42,376,907	12.8	55.7	31.5	9.7	6.6	31.5	13.7	.6	3.8

These ratios show results before consideration of federal income tax.

he contended, would have a stabilizing effect on the rating structure. The special sub-committee has given consideration to a revision in manual rules and a suggested reduction in the number of classifications. A special committee of the National Council like-wise is making a study of these two problems

At the request of the sub-committee, the National Council May 20 submitted a report embodying the standard procedure for determining the estimated effect of changes in the benefit provisions of a compensation act.

of a compensation act.

Mr. Gibbs spoke on the subject of employment of disabled war veterans and other disabled persons. He observed that insurance and employers organizathat insurance and employers organiza-tions have already begun a study of this situation. He predicted that employ-ment of such persons will increase the cost of compensation insurance and pro-grams should be adopted that can be applied uniformly throughout the coun-

Approves Gradation of Expense

Twenty-six states and the District of Columbia have already adopted the new compensation program or some modification of it embodying the gradation of expenses by size of risk. The gradation of expenses is fundamentally sound, he contended. The insurance business

should not be required to subsidize the small employer. It seems apparent, he declared, that certain expense elements declared, that certain expense elements do not increase proportionately as the premium increases and the question is how much should the expenses be graded and at what point gradation should begin and within which brackets should a certain percentage apply.

Wants Uniform Basis

It is desirable, Mr. Gibbs said, to It is desirable, Mr. Gibbs said, to grade expenses by premium size on a uniform basis. This presents acute sta-tistical problems but he expressed the hope that something can be perfected. A special subcommittee has requested the National Council to submit suggestions for the reporting of expense by premium size of risk not later than Nov. 1, so that possible recommenda-tions may be made at the midwinter

Among the factors that must be taken into account in the post war period, he said, are that the wartime rate level is said, are that the wartime rate level is very high and the chances are that it will be reduced. There will be a large reduction in the number of overtime hours worked and most of the payroll from this source now produces premium but does not produce losses. Employes who have minor injuries are not filing claims at this time but when the employment condition is not so bountiful,

there will be an increase in minor injury cases. Likewise those with more serious injuries will not be in such haste to return to work. In these days rec-ords of industrial injuries are being filed with the insurers, frequently so that the employe may at a later date, press his

Many claims which have been closed because the employe wanted to get back to work will be reopened when he finds

himself without a job.

Persons in substandard physical condition may be expected to perfect com-pensation claims for conditions which existed at the time of employment or which were aggravated during that

Bill Fixing Airline Liability Is Introduced

WASHINGTON—Embodying some suggestions of the Civil Aeronautics Administration and others of airline interests, also suggestions taken from the terests, also suggestions taken from the old Lea aviation bill, which is in cold storage in the House rules committee, Representative O'Hara has introduced HR-5020, fixing liability of air carriers. It is understood to be a companion to HR-4961, also by O'Hara, dealing with workmen's compensation in connection with coincil accompanies.

with civil aeronautics.

O'Hara says HR-5020 places the burden of proof upon airlines that they have not been negligent in case of accident. The measure proposes a standard maximum death liability of \$10,000 per person, in place of state law requirements varying from \$5,000 limit to un-

ments varying from \$5,000 limit to unlimited liability.

For liability for personal injury the proposed limit is \$50,000. Limitations are also fixed for the carrier liability in the case of a single accident. The liability for compensation fixed by the Moscow conference would be increased,

O'Hara says.

He says the bill is designed to remove conflict of decisions and of state jurisdictions affecting airline liability.

Confer on Application of New Mich. Compensation Act

LANSING, MICH.-Various aspects of Michigan's liberalized workmen's compensation act, including new problems arising from its application, were discussed at a two-day conference called by the state department of labor and industry and attended by more than 100 representatives of compensation carriers, self-insurers and lawyers specializing in

compensation practice.

The chief recommendations pertained to relatively minor technical changes in blanks. There were no criticism on the basic features of the law enacted by the 1943 legislature, which for the first time made compensable all disabilities defimade compensable all disabilities defi-nitely traced to occupation. Compensa-tion rates also were increased at that time and, due to high wartime wages and extensive overtime schedules, 98% of all current awards are for the maxi-mum \$21 weekly allowable under the

Discussion topics were: "Report of Discussion topics were: "Report of Injuries and Payment of Compensation," "Computation of Average Weekly Wage," a topic of exceptional interest because the law fixes a floor (40 times the hourly wage) but no ceiling, and "Scope of Compensation Injuries."

Wash. Assigned Risk Election

SEATTLE-R. L. Noble, manager of SEATTLE—R. L. Noble, manager of the Kemper companies in Seattle, has been elected chairman of the govern-ing committee of the Washington auto-mobile assigned risk plan, succeeding J. Wilson Gowdy, Northwest Casualty. In addition to Mr. Noble, members of the governing committee are: George

W. Rourke, Aetna Casualty; Lyle Sizer, State Farm Mutual; Dent Reed, Farmers Automobile Inter-Insurance Ex-change, and Harold W. Piggott, Gen-eral Casualty. B. K. Campbell of the National Bureau serves as manager of

Study Wage Factor in Pa. Comp. Rating Plan

In considering the use of a wage fac-tor to prevent compensation premium volume from skyrocketing in days of swollen payrolls and from taking too sharp a dip in times of depression, at-tention is drawn to the plan that has been employed in Pennsylvania since 1918. The state authorities there are pleased with the operation of the wage factor and point out that compensation premiums have increased from only \$26 million prior to the war to \$30 million last year, and that there have been five

last year, and that there have been hve successive annual rate reductions.

In Pennsylvania all reports of compensable accidents filed by insurance carriers with the Pennsylvania Compensation Rating & Inspection Bureaumust contain a statement of the average weekly wage of the injured person.

Inasmuch as there are more than 20,000 such reports annually the bureau is able to derive truly dependable wage.

able to derive truly dependable wage factors.

The average wage is determined for each policy year for the three major industry groups-manufacturing and utili-ties, contracting and quarrying, and all

The weekly wage entered on the ac-cident report is determined in accord-ance with the provisions of the Pennsylvania compensation act, which requires that the earnings of the most favorable quarter during the preceding 12 months be used to calculate the wage on which compensation is because the wage of which compensation is based.

Payrolls are modified by factors de-pending on the change in wages from year to year, and losses are modified by the change in weekly compensation. In times of increasing wages these factors produce lower rates and prevent pre-

mitims from becoming excessive.

The Pennsylvania system was mentioned at the meeting in Chicago last week of the insurance commissioners compensation committee that decided to introduce wage factors into the 1945 rate making program. An industry committee will undertake to devise such factors.

Under the Pennsylvania system the bureau and the insurance department gets its own factor without the necessity of consulting the state labor department or any federal agency.

U. S. F. & G. Los Angeles Parley

LOS ANGELES — Manager H. C. Gillespie U. S. F. & G. conducted an agency conference for suburban agents and brokers on comprehensive liability, fidelity bonds and burglary, with about 50 in attendance.

D. W. Sanders, superintendent of the casualty department; J. C. Harkness and R. C. Robbins, district supervisors; T. D. Gibson, city supervisor, and O. D. Brick, superintendent of the bond department, led the discussions.

Detroit Office in New Quarters

DETROIT—Expanding business vol-ume has resulted in the removal of the branch office of New Amsterdam Cas-ualty and United States Casualty from 2220 Dime building to new quarters with double the floor space in the Penobscot building. The new location is on the ground floor, opening off the en-

With 200 active agents reporting to the branch, volume has tripled since 1937 when Karl Preston was trans-ferred here from Baltimore as man-

Standard Accident recently received a letter from North Carolina asking that if a check it issued in 1911 could still be cashed. It was for \$3 and had been issued to a man now dead, on the Peoples State Bank of Detroit which is no longer in existence. Alex Neilson, assistent transparent of the property of the propert sistant treasurer, asked the widow to re-turn the check and issued a new one.



Ready for Anything!

IN THE ARMED SERVICES of the United States, there is a man for every job-equipment for every conceivable need. Every emergency is anticipated every task is planned ahead to insure successful fulfilment.

At home, American Casualty Company is on the job to anticipate the needs and emergencies of everyday living. Our "equipment" is insurance protection in such a wide variety of forms that it is possible to ease or eliminate the financial shock of almost any disaster.

LIABILITY • AVIATION • ACCIDENT AND HEALTH • BURGLARY SURETY AND FIDELITY BONDS • PLATE GLASS



American Casualty Company of Reading, Pennsylvania

Complete Casualty and Surety Facilities

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ACCIDENT AND HEALTH

Continental Cas. **Issues Aviation Accident Policy**

A broad new commercial aviation accident policy, covering the entire west-ern hemisphere has been announced by Continental Casualty. The policy covers all persons who fly throughout North and South America at uniform rates, whether the principal sum is for \$1,000 or \$200,000 as the limits provide. The rates are standardized rates and are not raised where limits higher than \$10,000

are wanted.

Continental Casualty not long ago brought out world-wide foreign travel accident coverage.

accident coverage.

The new aviation accident policy rates provide for no increase for amounts over \$10,000 on commercial airline passengers and pilots and instructors, whether they fly transport planes or approved C or NC aircraft, which includes most private planes. There is no increase for flying outside the U. S. There is coverage for assured if hemakes a parachute jump to save his life; coverage against exposure to the elements; and upon disappearance of the assured, after one year it will be presumed that he lost his life in a plane accident. accident.

Other Features

Other Features

Principal sum benefits covering death and dismemberment will be written in any amount from \$1,000 to \$200,000, in addition to medical reimbursement and weekly indemnity for disability. The medical reimbursement limit is \$5,000, but not to exceed one-half the principal sum. The weekly indemnity maximum for disability is \$1,000, payable for as long as 52 weeks.

Annual rates for class A-1 passengers are as low as \$1.20 for each \$1,000 of death and dismemberment up to a limit of \$200,000 on any one life; as low as 50 cents for each \$5 of weekly accident indemnity up to a limit of \$1,000, and as low as 20 cents for each \$50 of medical reimbursement up to \$5,000.

cal reimbursement up to \$5,000.

Coverage can be further extended by riders at small additional cost to cover plane passengers in a private aircraft having a valid and current C or NC airworthiness certificate, and riders can be added also to cover pilots instructors. added also to cover pilots, instructors, and pilots of commercial or non-commercial planes.

Wyles Elected President of Detroit Association

DETROIT—T. R. Wyles, Jr., super-intendent of the home office accident and health division of Standard Acci-dent, was advanced from vice-president to president of the Detroit Accident & Health Acceives at the control of the Petroit Accident & to president of the Detroit Accident & Health Association at the annual meeting. E. H. Newmann, Great Northern Life, was elected vice-president and Joseph Landon, Continental Casualty, who has been serving by appointment as secretary-treasurer since George Steinmetz of that company entered service, was elected to that post. Directors elected are A. A. Frary, Continental Casualty, retiring president; R. J. Long, Great Northern Life; Fred Grainger, Federal Life & Casualty; Charles Engstrom, American Hospital & Medical, and L. V. Minghini, Business Men's Assurance. Assurance.

An appeal to members to pledge funds toward the sustaining fund of the National association was made by Secretary Landon, seconded by Mr. Grainger, who was selected as official delegate to the St. Louis convention.

R. I. Deduction Is Tax

WASHINGTON-The Internal revenue bureau has held that amounts with-held from the wages of employes under

the provisions of the Rhode Island cash sickness compensation act, as amended, "constitute taxes which are deductible for federal income tax purposes."

Occidental Life Is Now Writing A. & H. in Canada

Entry of Occidental Life of California into the accident and sickness field in Canada is announced by W. Lockwood Miller, general manager for Canada, and

A. D. Anderson, superintendent of accident and sickness department, who have just completed a whirlwind tour of eastern Canadian agencies.

Special agency meetings to announce the new setup were held in Montreal, Ottawa, Toronto, St. Catharines, Waterloo and London, Ont. A comprehensive line of accident and accident and sickness policies, including one for lifetime indemnity coverage, is now available in all Canadian Occidental agencies. Policies will be issued in French for French-speaking policyholders.

General Agent George C. Stevenson of St. Catharines sold the first policy in the Dominion. Special meetings will be



Back the Attack-with War Bonds

FIDELITY AND SURETY BONDS

BURGLARY, ROBBERY, FORGERY AND GLASS INSURANCE

FIDELITY AND DEPOSIT COMPANY

of Maryland . . . Baltimore, Md.

WITH WHICH IS AFFILIATED THE AMERICAN BONDING COMPANY OF BALTIMORE

St. Louis this week, with C. F. Harroll, Inter-Ocean Casualty, Dayton, former president, as alternate. The organization adopted resolutions advocating two vice-presidents for the National associa-tion; opposing members of the national executive board succeeding themselves and urging the election of C. A. Sholl, Globe Casualty, Columbus, who is now vice-president, as president of the Na-

Doctors Organize Hospital Care Plan in Washington

SEATTLE-The Washington Physicians Service, a state-wide hospitaliza-tion plan, incorporated under the state insurance code, is being sponsored by members of the Washington State Medical Service Bureau. The new plan will supplement and be operated jointly with the King County Medical Service Bureau. It will provide family hospital insurance benefits for wage-garners.

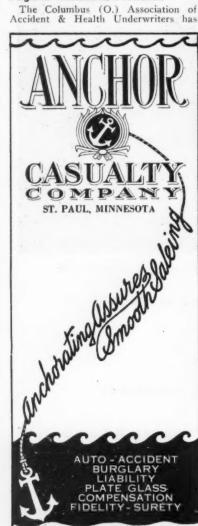
insurance benefits for wage-earners.

More than 800 physicians throughout
the state are expected to subscribe for stock to raise the necessary \$125,000 required under Washington law to qualquired under Washington law to qualify as an insurer. Under the present medical service plan, a certain amount of both medical care and hospitalization is provided wage-earners on a salary deduction basis. The new system contemplates protection for the entire family

New Companies in Conference

At a meeting in Chicago of the ex-ecutive committee of the Health & Ac-cident Underwriters Conference, Bank-ers National Life of Montclair, N. J., which has just entered the accident and health field, and American Hospital & Life of San Antonio were admitted to conference membership.

Pugh Is Columbus President



elected these officers: Charles Loyal Protective, president; Harold Swisher, Mutual Benefit Health & Acci-resident; John C. Talbott, Continental Casualty, secretary-treasurer. New directors are: B. T. Terry, Retail Credit Co.; J. P. Welty, Globe Casualty; J. H. Garrett, Business Men's Assurance, and S. Glen Moyer, North American Accident. Roscoe R. Walcutt, a member of the state senate, spoke. a member of the state senate, spoke.

New Officers in Peoria

New officers have been elected by the Peoria (Ill.) Accident & Health Association: President, F. B. Chapman, Metropolitan Life; vice-president, William H. Eyre, Illinois Mutual Casualty; secretary-treasurer, H. A. Shaw, Occidental Life: assistant secretary-treasurer, O. F. LaTeer, Illinois Mutual Casualty. New directors are V. C. Scott, General Accident, retiring president, and Vertner Donnan.

At the annual golf tournament of the Newark Accident & Health Club, William Barnes, Washington National Life, was the trophy winner. A dinner followed the tournament. lowed the tournament.

R. J. Costigan, Kansas City manager Business Men's Assurance, has been elected a national director of the Cooperative Club.

W. E. Maupin, Cedar Rapids manager Business Men's Assurance, was elected lieutenant-governor of the 9th district of Optimist International.

CHANGES IN CASUALTY FIELD

H. H. Erdmann to Emmco Companies

Harry H. Erdmann, vice-president of Harry H. Erdmann, vice-president of Connecticut Indemnity, has gone with Emmco Casualty and Emmco of South Bend as executive vice-president. Mr. Erdmann was with Connecticut Indemnity about 10 years. He had 11 years of casualty experience with other com-

HARRY H. ERDMANN

panies before joining Connecticut Indemnity in 1934 as manager of the home office claim department. He was named assistant secretary in 1939 and vice-

president in 1942.

Mr. Erdmann has been one of the most successful young casualty executives and under his management Conmaterially, entering a number of additional states and increasing its premium volume over 460%.

Pa. Casualty Names Greene & Co.

Alexander Greene & Co., 83 Maiden Lane, New York City, has been appointed manager of Pennsylvania Casualty for the metropolitan department in New York City and Westchester, Nassau and Suffolk counties. The Greene agency is celebrating its 35th anniversary this year.

Amer. Surety Promotes Simpkin

William O. Simpkin, with the autowilliam O. Simpkin, with the auto-mobile department of American Surety and New York Casualty since Septem-ber, 1940, has been appointed assistant manager of that department, succeeding F. R. Cameron, who has been trans-ferred to actuarial work.

Andrews Is Broderick Official

D. F. Broderick, Inc., of Indiana has appointed Burnett E. Andrews as resident vice-president, with headquarters at Indianapolis. The company is Indiana

manager for Dearborn National Casualty and Dearborn National, and agent of Western Surety. of

of Western Surety.

Mr. Andrews has served in the Illinois, Indiana, Ohio and Tennessee fields, having started in the business with the J. C. Bourland Agency, Marion, Ky., he was later associated with the Greene & Greene Agency, Evansville, Ind. and ware recently with Inville, Ind., and more recently with Indiana Lumbermen's.

Mr. Andrews succeeds Larry J. Pierce, who has gone with the Merchants Trust Co., Muncie, Ind., as insurance department manager.

Usher with Lumbermen's Mutual

CINCINNATI — Joseph Usher has been appointed branch claim manager of Lumbermen's Mutual Casualty here. Mr. Usher is a member of the Ohio bar. He recently resigned from the claim department of Travelers here.

Industrial Indem. Advances Two

Industrial Indemnity, San Francisco, has named Thomas G. McGuire vice-president and manager and Earl A. Matthiessen production manager. Mr. Mcfinessen production manager. Mr. McGuire has been with the company since 1938 and was named production manager earlier this year. Mr. Matthiessen has been in agency production work in the compensation insurance field since 1936. He went with Industrial Indemnity in 1940.

Prins Rejoins Anchor Casualty

Maj. John Prins, who has been on has been returned to the reserve list and has rejoined Anchor Casualty in his former capacity as claim manager in Minneapolis

Pollard has been named state agent of Anchor in Oklahoma with headquarters at Oklahoma City.

Central Surety N. Y. C. Setup

Central Surety now is handling production, underwriting and servicing of casualty lines as well as bonding business in the metropolitan New York territory through the company's eastern department at 83 Maiden Lane, New York City. The John C. Weghorn agency, 102 Maiden Lane, will continue to represent the company as borough agent in downtown Manhattan.

SURETY

Mich. Surety Association Outing

DETROIT—At the annual outing and golf tournament of the Surety As-sociation of Michigan, L. C. Minor, American Surety, was tournament chair-American Surety, was tournament chair-man and presented the prizes at the banquet. The secretary was directed to send a letter of greeting and best wishes to each of the 24 active members now in service, accompanied by a carton of cigarettes. Greetings also were sent to S. T. Mason, former general counsel of the association, now in Phoenix, Ariz.,

for his health. Douglas Jones, Aetna Casualty, presided at the banquet in the absence of President Roger Quail, Standard Accident.

Bond Producers Hold Parley

Officers of the National Association of Surety Bond Producers held a conference at the Edgewater Beach Hotel, Chicago, during the time that the insurance commissioners were in session there. The group included T. C. Fields of St. Paul, president; Durel Black, New Orleans, and C. W. Olson, Jr., Chicago, vice-presidents, and H. Phelps Smith, Nashville, secretary.

Mo. Penal Board, Sureties Sued

JEFFERSON CITY—Attorney General McKittrick has filed the last of three suits against members of the Missouri penal board seeking to recover nearly \$250,000 for the state on the ground that it lost money through alleged illegal practices in the management of state prisons.

The most recent suit is against P. F. Willis penal commissioner in charge of

Willis, penal commissioner in charge of prison industries; Standard Accident, surety on his official bond 1938-1942, and Aetna Casualty, with which he now is

PERSONALS

E. J. Coffey, Mutual Benefit Health & Accident, has been elected president of the Portland, Ore., chapter of the Na-tional Office Management Association.

Curtiss C. Gardiner, president of Hartford Steam Boiler, has been elected to the board of the Society for Savings in Hartford.

Somewhere in the depths of Lake Minnetonka lies the wallet of Paul Clement, secretary of Minnesota Commercial Men and a past president of the Health & Accident Underwriters Conference. In the wallet are his fishing ference. In the wallet are his fishing license, gasoline coupons, driver's license and other assorted papers. While

cense and other assorted papers. While cruising the lake in an outboard motor he discovered it was missing. It apparently was lost while he was leaning over the motor, tinkering with it.

He told such a straightforward story to the ration board that it agreed to reimburse him for the lost "A" and "B" gas coupons but could do nothing about his fishing or driver's licenses. Mr. Clement is national president of the Izaak Walton League.

O. D. Bayrer, supervising engineer in charge of the mechanical research unit of Travelers' engineering and inspection

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Casualty and Surety executive. Excellent record. Over 20 years experience, principally claims, with outstanding company, desires change to better himself preferably as branch manager of progressive company. Still youngenergetic. Write Box W-23. The National Underwriter. 175 W. Jackson Blvd., Chicago 4. Ill.

CASUALTY MANAGER WANTED-DETROIT

Excellent opportunity for well-trained casualty man to serve as manager of Casualty Dept. in a highly successful Detroit local agency. Address W-28. The National Underwriter. 175 W. Jackson Blvd., Chicago 4. Illinois.

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Production man health, accident and hospitalization. Extensive experience in sales force organization. Complete promotion experience. Age 28, draft status 4-F. Address W-26, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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division, is celebrating his 30th service division, is celebrating his 30th service anniversary. Mr. Bayrer is an expert in designing machine guards. Since 1921 he has been with the home office engineering and inspection division Mr. Bayrer has originated many of the Travelers industrial safety bulletins and contributes articles to industrial safety

contributes articles to industrial satety publications.

L. R. Wood, secretary-treasurer of Manufacturers Casualty and Manufacturers Fire, is making a visit to Chicago and Detroit this week.

Richard Atwell, director of the compensation division of the Michigan department, has been visiting Wisconsin and Minnesota departments to study their methods of supervision in the field.

John H. Brogan, 73, founder and president of Exchange Mutual Indemnity, died at his home in Buffalo after a short illness. Mr. Brogan was a prominent Buffalo attorney. In 1914 he organized the Exchange Mutual Indemnity and had served as its president and general counsel since then. He was a director of Employers Reinsurance.

ASSOCIATIONS

Lorenz Elected Ohio President

COLUMBUS, O.—A. W. Lorenz, Cleveland manager Maryland Casualty, was elected president of the Ohio Association of Casualty & Surety Managers at its annual meeting here. Other officers are: Vice-presidents, C. H. Kuhn, American Bonding, Cleveland; and Don Ryan, Aetna Casualty, Cincinnati; and secretary-treasurer, C. C. Laf-



A. W. LORENZ

fer, Fidelity & Deposit, Columbus. R. B. DeVore, Hartford Accident, Cincinnati; Charles S. Maxson, American Surety, Columbus; and L. Brent Wood, U. S. F. & G., Cleveland, were elected to the executive committee.

President DeVore told of the goodwill and cooperation created among the various insurance groups. The next meeting will be held in September.

Hold Michigan Outing Friday

The annual outing and golf tournament of the Casualty & Surety Executives Association of Michigan will be held June 23. President L. C. Minor, American Surety, will preside at the banquet. John Horton, Aetna Casualty, is chairman of the entertainment committee.

Seattle Adjusters Elect

J. W. Goulder, American Automobile, has succeeded Don C. Husted of Arthur E. Campbell & Co. as president of the

Seattle Casualty Adjusters Association. E. E. Hilton, General Casualty, is the new vice-president and S. F. Scanlin, Kemper companies, is secretary-treas-

Ward Elected in Washington

Colin L. Ward, Dickson Adjusting Company, was elected president of the Washington (D. C.) Claim Men's Association. Mrs. June L. Green, Lumbermen's Mutual Casualty, is vice-president; E. A. Malloy, Capital Transit Company, secretary, and Van Quigley, Standard Accident, treasurer.

The Oklahoma Claim Men's Association held an outing at Lake Hiawatha near Oklahoma City, with 40 members and guests present. Judge Weldon Ferris and John Worley of the Oklahoma industrial commission were special

Multiple Writing **Power Studied**

(CONTINUED FROM PAGE 21)

recalled, recommended that American companies be permitted to engage in composite underwriting in foreign fields, that reinsurers in this country be permitted to engage in multiple line writing, that all types of companies be permitted to write all types of aviation insurance, all types of automobile insurance and the personal property floater.

Mr. Diemand said that his committee had held extensive meetings. They heard presentations by W. A. Patterson, president of United Air Lines, and from David Beebe, chairman, and Reed Chambers, president U. S. Aviation Underwriters.

A hearing was held at which representations was held at which representations.

A hearing was held at which repre-sentatives of various segments of the business presented their views, including

business presented their views, including the various producers organizations, Association of Casualty & Surety Executives, American Reciprocals, Insurance Executives Association, marine organizations and mutual groups.

The stock groups were opposed to the five recommendations whereas the mutual people, marine organizations and producers groups were in sympathy with the committee's ideas.

Insofar as foreign operations are concerned, the committee is asking that American companies of definite financial stability be permitted to have competitive equality abroad, he said. Companies chartered in Massachusetts are permitted under the laws of that state to have such privilege today but it should not be necessary to incorporate new companies for the purpose.

Provision as to Reinsurance

As to reinsurance, the committee's objective is to make greater use of the existing facilities. The surplus to policyholders of all stock and mutual fire and casualty companies is about \$3 billion, 100 million. This creates a large lion, 100 million. I his creates a large reinsurance potential and at the same time if the committee's recommenda-tion were adopted it would not restrain those who desire to continue to patron-

those who desire to continue to patronize foreign reinsurers.

Exchanges of fire and casualty business through reinsurance would create a greater spread, he contended. Ninety percent of the stock fire business and 70% of the casualty business is done by group companies and Mr. Diemand said the smaller companies should be permitted to conduct the same kind of operation.

Mr. Diemand observed that a number of Connecticut companies have charter powers to write multiple lines. The Connecticut companies that are opposing the program are nevertheless not asking that their authority to expand be re-

that their authority to expand be rescinded.

E. L. Williams, president Insurance Executives Association, spoke for the opposition group. He said that more thought should be given to the question than has been given. The problem goes into all the ramifications of the busi-

ness. It is important to investigate the effects of multiple underwriting power and the potentialities of that power. The stock casualty and fire people, he declared, have prepared in written form their ideas. The I. E. A. and the Association of Casualty & Surety Executives worked together. The memorandum that was presented to the commissioners, he said, is not intended as a reply to the Diemand report but rather as a statement of general principles.

Mr. Diemand said that the main argument in the opposition memorandum is based on the theory that the chief virness. It is important to investigate the

ment in the opposition memorandum is based on the theory that the chief virtues claimed by the Diemand committee for multiple line underwriting is that combination contracts may be produced on a single piece of paper covering all perils to which the risk is exposed. Mr. Diemand said that his committee recommended only insofar as aviation and automobile is concerned that a one paper policy be employed. In Canada and England where multiple line underwriting prevails but few one paper policies have been produced, the most noteworthy being the householder's comprehensive. If such combination contracts can be fashioned then there can be no objection if they are in the public interest, he contended.

Cites Travelers Advertisement

The opposition, Mr. Diemand de-clared, insists that there is no demand for multiple line underwriting and in re-ply Mr. Diemand read an advertisement of Travelers featuring its well rounded insurance service, its combination poli-

ries, etc.

If it is logical to have a separate company for each kind of insurance, then it would be more logical to bracket marine

would be more logical to bracket marine insurance with casualty than with fire, he said, because a marine insurer covers all the vessel risks, including material damage and third party liability.

The opposition, Mr. Diemand said, contends that multiple line underwriting would tend to force business to the large companies. Mr. Diemand replied that the smaller companies that do not have

the resources to organize subsidiaries are the resources to organize subsidiaries are under a disadvantage by the present system. A casualty company, he said, that has a wholly owned fire insurance subsidiary, is subject to a fire conflagration hazard because the assets of the casualty company include the stock of the fire company

Incidence of Claims Varies

Mr. Diemand declared that cycles of heavy claim experience seldom are coterminus in both the fire and casualty fields. He said in the period 1929-33 the U. S. branches of British companies were getting remittances from abroad and that came from profits derived from world-wide multiple operations. He observed that in 1942 marine insurance was "tailspinning into disaster," but that the casualty companies were having a remarkably profitable experience and helped to save the day for marine people. Mr. Diemand declared that cycles of

IDEAS OF MARRYOTT

F. J. Marryott, Liberty Mutual, of the Diemand committee, said that one of the contentions of the opposition is that it is impossible to consider the five specific recommendations of the Diemand committee without deciding first whether all out multiple line writing should be approved. The committee, however, he said, believes that it is possible to consider the five separate points independently. In some place in the country every one of the five specific recommendations is in effect today, he said.

Mr. Marryott alluded to the opposi-Mr. Marryott alluded to the opposi-tion contention that the present system of segregation of assets makes for greater solvency. In answer to that, Mr. Marryott quoted from a statement a number of years ago from the then President Butler of Travelers who de-clared that the necessity of operating three corporations creates perplexing problems. He stated that Travelers is

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really only one organization. He said that the states draw lines as to under-writing powers and he predicted that these will disappear when such divisions are discovered not to parallel the needs of the buyer

In the influenza epidemic in 1918-19, Ir. Butler stated that the mutual life empanies were compelled to reduce companies policyholders dividends whereas lers maintained its guaranteed Travelers maintained its guaranteed rates and was able to increase its surplus in 1919. The casualty lines went to relief of the life department, he

stated. At the final session of the laws and legislation committee to consider the multiple line question, scorching criti-cism was directed at the group that brought forth the memorandum in opprought forth the memorandum in op-position to the program, by W. E. Mc-Kell, president of New York Casualty and a member of the Diemand commit-tee, and by C. F. J. Harrington, Massa-chusetts, retiring N. A. I. C. president. As a matter of fact Mr. Harrington became so sharp that he broke off, saving came so snarp that he broke on, saying he realized that he was intemperate and that brought a laugh in which Mr. Har-rington joined. As he left the room, C. C. Fraizer, Nebraska, committee chairc. Fraizer, Nebraska, committee chairman, jocularly referred to "that fighting Irishman." Mr. Harrington came back, saying "I overheard that remark" and the meeting thus broke up on a note

of good natured raillery.

Mr. McKell stated that of the 62 members of the Association of Casualty & Surety Executives, 30 voted for the memorandum opposing multiple line underwriting and of the 30, 24 were members of company groups. Of the 24, four were members of foreign groups.
"I can't believe," Mr. McKell stated, "that the managements of those companies would say they are unwilling to give in this country what they are willing to give in other countries."

Mr. McKell said that the negative

memorandum gives undue emphasis to the question of a "one-paper policy."

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SUBURBAN

CASUALTY CO.

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Company

Full Measure of Service to Its

The Diemand committee advocated a "one-paper" contract only in connection with automobile insurance. He left the committee a copy of a full coverage "one-paper" auto policy of Canadian Curety (American Surety-New York Casualty affiliate) pointing out that the Casualty affiliate), pointing out that this is a mechanically simple policy.

The opposition memorandum, he

charged, incorrectly asserts that a composite company is required to segregate investments according to line of insur-ance, Mr. McKell read a letter from the manager of Canadian Surety, say-ing that in Canada composite insurers are not required to segregate assets, except as between life and all other.

Mr. McKell took issue with the stateof the opposition that British and Canadian omnibus insurers operate each department as a separate company. The manager of Canadian Surety stated, he said, that composite insurers strive to appoint an agent for all lines, rather

appoint an agent for all lines, rather than for a particular purpose.

Mr. McKell quoted from an Aetna Casualty publication "Why It Pays to Be an Aetnaizer," strongly setting forth the advantages to an agent of representing a company organization that offers all the facilities which the public offers all the facilities which the public demands. One of 10 specific tests, which Aetna suggests be applied to a company is: "Is it a multiple line com-

Not Filing Rebuttal

Harrington declared he can't understand how the opposition could prepare such a comprehensive discussion the Diemand report without having in that report. The opposition, he seen that report. The opposition, he said, has been given an opportunity to file a rebuttal to the Diemand report, but it has elected to stand on the memorandum that was prepared before the Diemand report was made.

WHY CRUSADE?

Mr. Harrington said for 25 years he was opposed to multiple line writing, but he is now convinced it is a progressive step. The question has been asked why the commissioners should "cru-sade" for such a change. He replied that the commissioners are required to advise the legislatures on what is in the public interest.

The commissioners' interest is in

The commissioners interest is in avoiding undermining the solvency of companies, he said, but the multiple line program would not do so. He claimed it would be helpful to the small companies. No company would undertake a multiple line program, he contended, unless it is adequately staffed.

a multiple line program, he contended, unless it is adequately staffed.

Predictions of "chaos" are made by the opponents, but he said that word is being used too often. He referred to it as "pious mouthings."

Mr. Harrington said he may be intemperate on this question but he is

Charges Misleading Maneuver

The opposition, he charged, is engaged in misleading maneuvers, which if resorted to by a government agency would be condemned violently. "They don't come in with clean hands," he asserted. They are asking that other competent managements be stopped from doing the same thing that they are doing in the way of multiple line

Mr. Harrington recommended that the committee suggest definite legisla-tion to implement the program. He said he is eager to be able to present legislation to the Massachusetts assem-

bly next year. Commissioner Lockhart Commissioner Lockhart of Texas said his state has been a leader in the field of multiple line writing. The system is working in his state, he declared. The business, he contended, has passed the experimental stage. The various lines have become stabilized, experience has matured, and the danger no longer exists that a company is jeopardizing its solvency by engaging in a new field. A. V. Gruhn, manager American Mu-

tual Alliance, asserted that the mutual casualty companies are in favor of per-U. S. companies to do a committing posite business abroad, and of permitting multiple line reinsurance

As to the other three points in the Diemand report, the mutual casualty group has not yet formulated an offi-

cial position.

In order to be successful the program must be implemented by as nearly uniform legislation as possible, he said. The program cannot be successful if there are a great number of dissatisfied companies. The mutual alliance will companies. anies. The mutual alliance will a copy of the committee report to all the mutual companies together with a dissertation on it, so as to give them material with which to arrive at conclusions. There is some genuine concern on the part of small companies.

Mr. Gruhn said he is unable to understand why there should be any opposition to permitting the doing of a broad business abroad. The mutuals are not business abroad. as much interested in foreign operations as stock companies but they will join, said, in promoting a program to wide American insurance facilities t will follow American products provide that will follow American products wherever they may go and to aid in getting foreign laws changed to accom-modate American insurance. Multiple reinsurance, he declared,

Multiple reinsurance, he declared, offers a splendid opportunity for experiselfish standpoint, as it would have an adverse effect on only a very few in-stitutions. He observed that when a change comes in any field there are al-ways some who are adversely affected.

Gav Gleason, general counsel of the Employers group, said for purposes of the record he desired to state that his companies are in favor of the Diemand report.

Mr. Fraizer recommended that the Diemand report be given the blessing of the committee and that it be con-tinued intact. That committee, he said, tinued intact. That committee, he said, has amassed the material and it has the necessary momentum.

Mr. Diemand requested that a new

committee be named, saying that his group felt it had a job to do and went

ahead and did it.

This was the 75th meeting of the association and Commissioner Ensor of Maryland stated it might be termed the "Diemand jubilee."

Give Final O. K. to A. & H. Policy Guide

(CONTINUED FROM PAGE 23)
partment. There is a provision in the
original agreement that no coverage is be provided for any disability due wholly or in part to any accident or illness originating during the period of suspension of benefits. At Mr. Ma-loney's suggestion, there was added a provision that a policyholder should not be denied benefits merely because he may be receiving some sort of a pension from the government under a law which may presume that disabilities of a veteran are war incurred whereas, in fact they may not arise from war service. It was pointed out that unless there were some such provision a man might sacrifice \$100 a month non-can benefits for \$20 a month government pension on account of disabilities springing from a preexisting condition and which were by of Congress declared to be war incurred.

was emphasized at the accident and health committee meeting that for the sake of getting definite action as soon as possible, controversial points were held in abeyance and the conferees concentrated on those features that commanded substantial agreement. Acting Director, Parkinson of Illingia exing Director Parkinson of Illinois expressed the hope that the committee soon will be able to get into the realm

of controversial points.

Forbes of Michigan, as chairman of a subcommittee, referred to several questions that had been presented to him. A suggestion had been made that the committee take up the question of handling health and accident claims of men in

uniform. Mr. Forbes said that the position of the companies is so well known that there is no need for clarification.

Then it was suggested that the defi-nition of group accident and health insurance be investigated but Mr. Forbes voiced the opinion that the definition wholesale insurance, Mr. Forbes said the subcommittee decided to postpone consideration of this subject until the time of the December meeting.

Standard Accident Bulletin for Agents Published

Standard Accident is now publishing bulletin called "Standard Service" a bulletin called "Standard Service" containing sales and informational material for agents. The first issue consisted of four pages and was punched for a three ring binder.

There is an article on post war plans for agents; another on selling dishonesty insurance, one on group medical expense, and articles on credit and col-lections, on automobile business and on money and securities coverage, and an analysis of the residence and outside theft policy.

Stone in Fourth Broadcast

Edward C. Stone, president of the Employers group, will be the principal speaker on June 30, from 2:45 to 3 p. m. EWT, on the fourth closed circuit that Employers has scheduled over Mutual Broadcasting System, since the company's sponsorship of Cedric Foster, news commentator, on the network.

Representatives of the company will gather in Mutual studios throughout the country to hear Mr. Stone, who will speak from Boston.

Anchor Makes Hit with Bankers

ST. PAUL-During the Minnesota S1. PAUL—During the Minnesota state bankers' convention here, Anchor Casualty, realizing that many of the bankers are engaged in some form of insurance, particularly casualty and allied lines, and are extremely interested in the examinations they must take to unlike a insurance agents, but through qualify as insurance agents, put through a rush order for the questions and an-swers with which the agents must fa-miliarize themselves. The result was that Anchor headquarters at the convention were thronged with bankers eager to get a copy of the printed questions, the first to be made available.

Chicago Adjusters Have Outing

War bonds were given as golf prizes the annual outing of the Chicago Cas-lty Adjusters Association, G. E. ualty Adjusters Association, G. E. French, Liberty Mutual, president, presided at dinner and awarded prizes. About 240 attended, including members of the industrial commission and industrial surgeons.

Birmingham Company Office

Employers Life of Birmingham that has been formed as an affiliate of Employers Insurance Company of Alabama will have its headquarters in the Employers Insurance Company building at 2112 First Avenue, N., Birmingham, and not in the Comer building as was stated in the June 8 edition.

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June 2

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Adjuster Lists Items Which Give Rise to Friction

CINCINNATI — Examining records and files for the past year, J. J. Conway, manager Western Adjustment, selected those things which caused friction, brought inquiries or were misunderstood either by assured or agents to discuss at the meeting of the Cincinnati Fire Underwriters Association. Solicitors, agents and office employes attended.

derwriters Association. Solicitors, agents and office employes attended.

Mr. Conway defined a friendly fire and a hostile fire, the latter being when the fire itself got beyond the agency wherein combustion was intended to be confined. A fire in a stove is a friendly fire, but when grease in a broiler is ignited, it is a hostile fire.

Claims are paid now for metal additions to brick smokestacks on dwellings but not on mercantile risks, he said.

Trees and Arbors

Though assured may claim a tree is an arbor according to the dictionary, the windstorm contract does not indemnify for the loss of a tree blown against a house, though it pays for damage to the house, he stated. The word arbor in an insurance policy means a lattice work or frame covered with vines. The insurance power than the state of the s frame covered with vines. The insur-ance does not cover the growing tree or vines. The windstorm policy pays for damage to the house and for removal of a tree blown against it, but it does not pay for cutting up of the tree and haul-ing it away. Cigarette burns still cause a lot of discussion, he said, though losses have dropped. Scorch burns are not paid if there has been no disintegra-tion of material on account of flame, ex-cept under the personal property floater.

tion of material on account of flame, except under the personal property floater.

Customers goods, layaways and employes' clothing now may be substantial in size and in value, especially in war plants having thousands of employes, he said. These values must be taken into consideration when there is coinsurance.

Under the explosion clause of extended coverage contracts loss of ammonial by rupture of a compressor is not covered unless an explosion has occurred, he said. This hinges on the definition of explosion established by courts.

Though there is no scale of depreciation on household goods losses, one per-

tion on household goods losses, one person may use an article five years and another person may use a similar article 30 years. The adjustment factor is how

long the individual would use the article.
Railroads are relieved of liability for
box cars on a siding, belonging to insured, he said. Fire losses occurring on such, he said. Fire losses occurring on such cars may penalize insured under coinsurance provisions, and railroads have insisted that insured are legally liable.

Cleveland School Insurance Fund Now \$100,000 in Red

CLEVELAND—The recent fire at Dunham elementary school, causing between \$100,000 and \$150,000 estimated loss, has placed the Cleveland board of education in an unhappy spot. The board is a self-insurer, and has only about \$50,000 available in its insurance fund. The board began insuring its own buildings about 30 years ago, when a survey disclosed that premiums paid insurance companies far exceeded average annual losses. In 1933 the insurance fund was close to \$500,000 but in the depression years of decreasing revenue the fund was tapped for various purposes. The board is supposed to CLEVELAND-The recent fire at

pay in \$25,000 annually, but the insur-ance fund became practically non-existent a year ago.

Some Have Losses in Kansas

WICHITA—With the wheat harvest getting under way in southern Kansas and northern Oklahoma, hail writing companies are felling a little more comcompanies are felling a little more comfortable, with the greatest volume of business in five years on their books. Hail storms had been very light and widely scattered, although hail accompanied by wind the evening of June 13 is bringing in loss proofs from north central Oklahoma and south central Kansas. One company reported more than 100 claims by the end of the week. Adjusters are being rounded up this week for assignments. So far it is not known how severe the losses will run. Over the weekend there were general rains over eastern Kansas, which continued through Monday and further hail losses may have resulted. losses may have resulted.

Upholds Auto License Law

COLUMBUS, O.— The common pleas court here has upheld the constitutionality of the new Ohio law which prohibits the appointment of any one who sells automobile insurance as a registrar for the issuance of automobile licenses. C. H. Murfin of Portsmouth, who has an office for the sale of automobile insurance and the issuance of drivers' licenses and automobile tags, had asked the court to prevent the state registrar of motor vehicles from revoking his appointment as deputy registrar ing his appointment as deputy registrar and to declare the law unconstitutional.

Big Utility Garage Loss in Mich.

The Consumers Power Co. garage at Adrian, Mich., was destroyed by fire. The first fire truck to answer the alarm burned. The loss is estimated at \$75,000. The flames were believed to have originated in a short circuit. The two-story brick building was owned by Mrs. B. F. Searight, who lived on the second floor. The blaze destroyed 25 trucks and automobiles owned by the utility concern. The adjoining Lenawee hotel was saved. Much maintenance equipment was included in the loss.

Cuyahoga Board Elects

CLEVELAND — The Cuyahoga County Board has reelected all trustees: Clyde B. Aldridge, Edwin A. Strauss, Burt Adams, James E. Stone, Ralph D. Mock, L. F. Ream and Esther Vetter. They will meet soon to name the officers.

A quiz program was presented by R. J. Smith, Corroon & Reynolds, Columbus; fire insurance; Walter C. Cook, Cleveland, automobile, and Ed Hill, Cleveland, boiler and machinery.

Small Insurance Loss

The fire which destroyed two large barns and caused the death of 32 race horses at the state fairgrounds race track near Detroit will result in only a track near Detroit will result in only a small insurance loss. Only a few of the horses were insured, and only one or two of them were in the high price bracket. Total loss is estimated at \$225,000, which is considered excessive. A race track hanger-on who had been discharged from a minor job confessed to setting the fire.

New Hutchinson, Kan., Officers

New officers of the Hutchinson (Kan.) Association of Insurance Agents named by the executive committee, from whose membership the officers are selected, are: John Fontron, president;
M. W. Webster, McNaghten agency,
vice-president, and Arthur H. Lewis,
Wade Patton & Co., renamed secretarytreasurer. R. Clyde Brown, retiring
president, goes on the executive committee

St. Louis Excursion July 29

ST. LOUIS—The Insurance Board of St. Louis has arranged for an excursion on the steamer Admiral for the members of the board, employes and families and brokers, July 29:

Reelect Kalamazoo Officers

KALAMAZOO, MICH.—The Kalamazoo Association of Insurance Agents has reelected its officers: President, Dale S. Bloom; vice-president, F. C. Walter; treasurer, Barton C. Cortright, and secretary, Harry V. Wilson. William H. Pendleton was added to the executive committee to serve with two holdover members, Arno R. Schorer, president Michigan Association of Insurance Agents, and Henry A. Pierce.

Lang Engineer of Wood Agency

CINCINNATI — The Thomas E. Wood Agency has appointed M. W. Lang manager of the service and engineering department. Mr. Lang was assistant in the Ohio Inspection Bureau for 17 years in Columbus and Cincinnation of these as a rating engineer in special offices as a rating engineer in special hazards and congested districts. Mr. Lang is a member of several engineering

Berry to Speak in St. Louis

ST. LOUIS—J. Raymond Berry, general counsel of the National Board, will discuss the new standard fire policy, which becomes effective in Missouri July 1, at the annual meeting of the Associated the standard for the Associated for the Associa ated Industries of Missouri June 27.
The meeting is sponsored by the Insurance Board of St. Louis in cooperation with the Associated Industries.

Leen Is South Bend Speaker

P. J. Leen, superintendent of the marine division of Fireman's Fund western department in Chicago will speak Thursday on "Transportation Floaters" before the South Bend-Mishawaka (Ind.) Insurance Exchange.

County Home Loss \$107,000

The Winnebago county, Wis., home for the aged, three miles north of Oshkosh, burned this week with the loss to building and contents, insured for \$107,000, estimated total. Cause of the fire is unknown.

NEWS BRIEFS

W. W. Blandin, for 24 years a partner in the old Blandin & Webb agency in Wichita, which was dissolved following the death of Lee Webb six years ago, and then with Brown, Ginzel & Co., joined the Anderson-Coombs agency.

J. Hughes Porter, for 11 years with the Tinklepaugh & Lind agency, Kansas City, Kan., has established his own agency at 715 Minnesota avenue.

C. M. Allen of the Bauerle-Allen agency heads the financial division of the war bond drive in Wichita.

Margaret Weisgerber, of Fidelity & Deposit, who has just retired as president of the Insurance Women of Columbus, has become a WAVE. Jane Rudolph, Aetna, retiring president of the Cleveland association, has joined the WAC.

The Insurance Women of Hutchinson, Kan., will hold their annual plenic June 28. Officers will be elected.

Harold H. Hall has opened a new agency at Elkader, Ia.

Tribute to Work of Board

Brig. Gen. C. H. Kells, commanding officer at the Boston port of embarkation, has written the Boston Board that "the splendid record of no serious fires at our installations is not just a happy result of good fortune. We realize fully the value of your regular inspections and recommendations which you have made to us for the elimination of haz-ards."

ards."

In February, 1943, the board through its members began conducting inspections of the various properties comprising the port. At the start inspections were made weekly, but as conditions improved the frequency was reduced until now they are made largely once a month. The board attributes much of its success to the willingness of port authorities in complying with recommendations.

Rochester Board Protests Rule on Handling Rate Cut

The Rochester (N. Y.) Board has adopted a resolution protesting action of the governing and rules committee of the New York Fire Insurance Rating Organization in rejecting the proposal of the New York State Association of Local Agents to permit adjustment of premiums by endorsement in lieu of cancellations of policies written prior to Feb. 1, 1944.

There was no controversy between

There was no controversy between the agents and companies regarding the adjustment of premiums short rate, the board stated. Nor did the agents intend board stated. Nor did the agents intend or propose any change whatever in computation of earned premiums on such policies. Increasing a policy of insurance for the unexpired term by the same percentage as the rate of reduction would have a negligible effect, if any, upon the unearned premium reserve; nor would a premium adjustment by endorsement, charging a short rate to a given date, have any more effect on the unearned premium reserve than would the short rate cancellation of the policy. The burden of justifying rates and

The burden of justifying rates and rules to the insuring public rests upon the local agent. However else it may appear to the rating organization committee, its ruling seems arbitrary to the average policyholder and to that extent is, unfortunately, destructive of good public relations, the resolution declared.

Oberman Heads Essex County Agents Association

NEWARK — The Essex County Insurance Agents Association has elected these officers: President, Stacy C. Oberman, Newark; vice-president, Edward E. Bruen, East Orange; secretary, Millard Farr, Nutley; treasurer, Richard Wyck-Farr, Nutley off, Newark.

Warns on Use of Mortgage Riders

The Massachusetts department has called attention of fire insurance companies to law prohibiting any addition to or modification of any of the provisions of the standard fire form relative to the rights of a mortgagee. The bulletin was prepared following information received by the department that some companies have been attaching riders to the Massa-chusetts standard policy to amend or modify the form relative to the rights of mortgagees. Companies are asked to cancel such riders where not in compli-ance with the law and issue proper

VICE

MUX

PACIFIC COAST AND MOUNTAIN

Garrison Rules Line Not Exportable

LOS ANGELES - Commissioner Garrison has ruled against the Surplus Line Association, Lloyds of London and Walker & Co., brokers, in the case of Certified Grocers of California, Inc., involving the question of whether fire in-surance on its warehouse and stock of

foodstuffs was legally written in Lloyds.
Mr. Garrison, in his finding and in
the order served, ruled that the line was not exportable, and therefore was not legally written in Lloyds. He ordered the policy cancelled, and included in the order a finding that assured could secure the coverage in the domestic mar-

Spear & Co., general agents on the Certified Grocers line, sought to place more than a million dollars additional on the warehouse and stock, but was unable to secure commitments for all the additional insurance from non-board companies carrying the original line. Spear & Co. then secured cover notes from board offices at board rates predicated on improvements to be made as the result of an inspection. Assured de-clined the policy for the additional coverage at the rate quoted. The general agent then offered it to the Surplus Line Association through Walker & Co. The line was written, and when certified to the Surplus Line Association came in for attack.

Commissioner Garrison held a hear-Commissioner Garrison held a hearing on the matter June 2. Three withnesses were heard: Spear & Co.; the Victor Montgomery general agency which had \$800,000 in cover notes on the line and whose policy was declined; and Eugene Battles of Rowan & Co., a surplus line broker. E. N. Van Ness of the Montgomery office and Mr. Battles testified their companies would write the line at rates promulgated by write the line at rates promulgated by the Board of Fire Underwriters based on the inspection improvements.

While the matter was under submission to the commissioner Certified Grocers sustained a fire loss at its ware-house, 4455 Fruitland avenue, Los An-geles, amounting to \$30,000, Jay F. Price, independent adjuster, is settling

Extend Oregon Term Rule, Other Changes

PORTLAND-Similar to the changes in other Pacific Coast states, the Oregon Insurance Rating Bureau has extended the term rule to permit nearly all classes except grain elevators and stock at un-sprinklered locations to be written for three years at 2½ annual premiums. The largest group affected is

sprinklered, unprotected manufacturing risks, such as woodworkers of which there is a sizeable number in the state. Fallen building clause waiver charges

BUILDING COSTS HAVE INCREASED APPROXIMATELY

5% 19% 31% IN 1 YEAR IN 3 YEARS IN 5 YEARS

CHECK INSURANCE AGAINST VALUES MARSHALL AND STEVENS INSURANCE APPRAISALS
CHICAGO LOS ANGELES NEW YORK
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have been reduced to a single rate of one cent, subject to a maximum of 10% of the final fire rate used on the policy. A the final fire rate used on the policy. A new short rate table shows a percentage for each month from 36 to 60 months on policies written for five years at four annual premiums. An alternate rule for extending the 12 month use and occupancy limit of liability is provided with the two contribution forms the extension being accomplished by increasing sion being accomplished by percentage in the contribution

The bureau has issued a special bulletin explaining the treatment of mercan-tile and industrial buildings converted to residential purposes in critical hous-ing areas. Buildings which have been remodeled inside and out for sole and permanent residential or apartment occupancy may be rated as habitational risks, whereas such buildings that have not been so remodeled retain their former classification, unless circumstances indicate that the residential occupancy will be permanent for the duration of the housing shortage. The bureau also authorized the single state army exchange reporting form PX-F, adopted nationwide for coverage on past ex-

Mobile Claimant Held Perjurer

MOBILE, ALA.—J. C. Sanders, wealthy former Mobile cotton mill owner, was found guilty on three charges of perjury in federal court here and was sentenced to five years in prison. He action was an outgrowth of a

The action was an outgrowth of a fire in which Sanders' mill in Mobile burned more than a year ago. Eleven burned more than a year ago. Eleven insurance companies with \$725,000 of coverage on the mill refused to pay claims for \$540,000 filed by Sanders and produced evidence to show arson. It was claimed Sanders had made efforts before the fire to sell the mill for as low as \$200,000, although he denied this at

Completes Rerating of Portland, Ore., Properties

The Oregon Insurance Rating Bureau has completed the rerating cf Portland, exclusive of residential properties, work that was begun in 1940, and the final rate sheets have been issued. The rerating gives effect to increased standards of fire protection and consolidates several separate schedules for-merly used. Treatment of frame mercantile buildings and many types of or-dinary industrial risks under the new schedule instead of by application of tariff ratings is one instance of improve-ment. Another is greater freedom in ment. rating of construction classes separately, not always possible under the former

New Ariz. Examination Schedule

The Arizona corporation commission has announced a new procedure in examination for agents and solicitors licenses. In the past the examinations could be taken any time but hereafter they will be given only four times a year at times and places announced by the commission. An examining board of three deputies will conduct the examinations, check the papers and the reports of the commission. The deputies are George Amos, Tucson, William Aven, Prescott, and William Bond, Phoenix. The first examinations under the new system will be given June 28 in Phoenix. The Arizona corporation commission

Honor Dallas Fire Department

With Jay W. Stevens, fire prevention chief of the National Board; Lewis Almgren, deputy state fire marshal of California, and Lt. Warren Austin of the San Diego fire department as "distinguished visitors," Mayor Rodgers of Dallas honored all the executive heads of the Dallas fire department at a dinner

Houston for the best fire record in 1944.

Mr. Stevens said the dinner was the most outstanding meeting he had at-

tended in his 42 years' experience. Fire Damages Haerle's Home

PORTLAND, ORE.—The opportunity to test the worth of the product he has sold for more than 20 years came to G. W. Haerle when a short-circuit caused a fire in the walls of his home. Mr. Haerle is a director of Charles Sexton Company, and state national di-rector of the Oregon Association of Agents. Damage will probably not exceed \$500, plus claim for the period of untenantability during which the family is in a hotel.

Greene Joins Spokane Agency

Frank W. Greene, formerly branch manager of Northwestern Mutual Fire San Jose, Cal., has joined the H. Gimble agency, an affiliate of the Anchor Securities Co. of Spokane, as manager. His first insurance connection was with Hardware Mutuals in Seattle 1934. He went with Northwestern Mu-

Students Finish Broker Course

LOS ANGELES-Seventeen students the first class and 28 in the second class have completed the general insur-ance course approved by the California department for broker's license applicants. The course was given at the University of California extension di-vision in Los Angeles, with Walter W. Bennett of the Bennett-Warner agency in charge.

Form C.P.C.U. Pioneers

LOS ANGELES — Fourteen members of the class which took the C.P.C.U. course here and completed their initial examinations have formed a temporary organization to be known as the C.P.C.U. Pioneers, with Walter W. Bennett of the Bennett-Warner Agency as president and John Davidson of Grant, Birkholm & Co. as secretary.

Davis with Groninger & Co.

Phillip C. Davis, who has been with Phillip C. Davis, who has been with United Pacific in Scattle for two years, has joined Groninger & Co., Seattle general agency, as field man and underwriter. Before joining United Pacific, he was for 17 years with Northern Life's home office as agency registrar and underwriter.

Plan Victory Rally in Seattle

All insurance offices in Seattle will cooperate in the fire and casualty insurance day program at Victory Square, July 6. The King County Insurance Association is handling arrangements. Robinson C. Jenner, LaBow, Haynes Co., is chairman.

Rename Ariz. Agents' Monthly

The Arizona Association of Insurance Agents has renamed its monthly publication "The Arizona Prospector." W. E. Davidson, Tucson, secretary-treasurer, is editor.

J. G. Adams has sold his interest in Wash., to Perk Low and has moved to Coeur d'Alene, Ida., purchasing the old J. M. Mead agency there from Neil Flenner, Jr., who has moved back to

Boyce O'Bannon, senior auditor in the Los Angeles office of the California department, was married to Miss Ruth Hamburger. Mrs. O'Bannon has been with Travelers in Los Angeles for a number of years.

Eastman Hatch, local agent, has been elected to the board of governors of the Salt Lake City Chamber of Commerce. He is active in the Utah Association of Insurance Agents.

F. Marlon Donahoe, formerly assistant secretary of the Olympia Federal Sav-ings & Loan Association, has joined the G. I. Griffith agency of Olympia, Wash.

SOUTH

Oklahoma Agents V.-P. Is Tulsa Veteran

The new vice-president of the Oklahoma Association of Insurance Agents,

ry F. Parrish, been a local Harry has agent in Tulsa for the past 18 years. He was first asso-ciated with another agency, but for the past 12 years has operated his own, which he started in 1932 in the midst of the depression. still has his major fire company, first company h which he signed a contract.



H. F. Parrish

Tenn. Mutuals Elect; Want to Protect States Rights

NASHVILLE—Guy E. Gleeson, a branch manager of the Illinois Inspection Bureau for 15 years before going to Knoxville, was elected president of the Tennessee Association of Mutual Insurance Agents to succeed R. E. Hill, Chateron and the proposed present the present the proposed prese tanooga, at the annual meeting here. Paul Shirey, Underwriters Insurance Paul Shirey, Underwriters Insurance Service, Memphis, is vice-president, and Mrs. Martha Underwood, Columbia, reelected secretary. New directors are Mr. Gleeson, Tom Pace, Knoxville; Cliff R. Lewis, Tullahoma, and K. C. McElroy, Memphis.

A resolution adopted urges Tennessee's congressmen to "do all in your power to protect state regulation of insurance as opposed to federal regulation." This committee voted to employ W. H. Le-

as opposed to rederal regulation." This committee voted to employ W. H. Levine, Nashville, as counsel to prepare a satisfactory agent's qualification bill to be introduced at the 1945 session of the

Tennessee legislature. R. E. Hill, Chattanooga, retiring president said the organization now has a paid membership of 50 and is in better condition financially than at any time in

State Meeting of Tenn. Women

CHATTANOOGA - A meeting to organize a Tennessee Association of Insurance Women will be held here Aug. 11-13. Miss Louise Hill of Chattanooga is general chairman.

E. D. King, head of the licensing division of the Tennessee department, told the Louise and Chattanooga.

the Insurance Women of Chattanooga of Tennesee's qualification requirements. These new officers were installed: Miss Betty Hamill, president; Miss Ruby Hallett, vice-president; Miss Eloise Col-lins, secretary, and Miss Dorothy Stone, treasurer.

Okla. Protection District Ruling

In an opinion to the state fire marshal, the Oklahoma attorney general ruled that a city council has no authority to create and establish a fire protection district outside its corporate limits. The opinion held, however, that the city has the right to furnish such protection for a consideration and has the right to contract for such service. Such service shall give protection only to the property described in the con-

Hear Buyer in Richmond

RICHMOND — Amos A. Chapman, insurance manager of the Reynolds Metals Company, spoke on "What the Insurance Buyer Expects of the Agents" at a dinner of the industrial education school sponsored by the Insurance Ex-change of Richmond.

Woman Heads Decatur Board

Miss Nell Beach Dix, Dix Company, has been elected president of the De-

Wright preside: Thornh retary-t New F Lytle agents

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McBean MONT eelected Brokers .

nual mee Montreal president Rolland. Quebec : D'Auteui catur (Ala.) Insurance Exchange. She succeeds Harry A. Wyatt, and is the first woman ever to be elected to head a local board in Alabama. L. Bert Wright, John Patterson Agency, is vice-president, and Miss Mary Thornhill, Thornhill Realty & Insurance Co., secterary-treasurer.

Was for 15 years with the Strader 1940, compared to 47% for all companies in 1943, 44% in 1942, 34% in 1941 and 39% in 1940.

No Auto Rate Changes

It is not likely that any changes will be made in automobile rates this year, entering government service in 1938 as

New Partners in Gosling Agency

Lytle W. Gosling & Co., general agents at San Antonio, have taken into partnership two men who have been associated with the organization for 20 years—C. W. Schneider and T. D. Bailey. Mr. Schneider has specialized in casualty lines and Mr. Bailey has devoted his attention to surety bonds. Both have become excellent underwriters. writers.

New Assistant Fire Marshal

Charles W. Vawter of Ardmore, Okla., has been appointed assistant state fire marshal to succeed A. B. Carmi-chael, who resigned to enter the race for county commissioner. Mr. Vawter

Ennis E. Murrey, vice-president of Paramount Fire, has been elected presi-dent of the Nashville Community Chest.

Miss Lufield Shepherd, Page, Miss., local agent, was married to Staff Sgt. J. V. Sikes of the army air base at Alliance, Neb.

Erskine Empson, Springfield, Tenn., local agent, and Mrs. Empson recently observed their silver wedding anniver-

Sary.

The Insurance Women's Association of Tulsa, Okla., will hold an out of town guest day June 24, and invited organizations of surrounding towns to attend. The event was timed so members of the board of the National Association of Insurance Women, which meets in Wichita this week, will be special guests.

New officers of the Insurance Women's Club of Oklahoma City are Verna Harmon, president; Theda Tunnell and Alvena Bohlen, vice-presidents; Ann Gravitt, secretary.

It is not likely that any changes will be made in automobile rates this year, D. K. Macdonald, London Assurance, automobile branch chairman, reported. Although changes might be made in some classes and territories such action would tend to cause confusion with companies and agents operating with reduced at the without prediction. duced staffs without producing any par-

ticular benefit for the public.

W. C. Butler, casualty branch chairman, reported on the new bond, burglary and liability form changes.

Three retiring managers were honored at a dinner, J. W. Binnie, Union of Canton, Montreal; Douglas Crownie, Caledonian, Montreal; and T. W. Greer, Century, Vancouver.

R. B. Whitehead Named **Ontario Superintendent**

TORONTO—Roy B. Whitehead, se-curities commissioner of Ontario, has resigned and been appointed superin-

go with Prudential of London.

A native of Walkerton, Ont., Mr.
Whitehead is a graduate of Queen's
University and practiced law prior to
entering government service in 1938 as
securities commissioner. In announcing
the appointment Attorney General Leslie Blackwell emphasized the importance
of the insurance superintendency.

Independent Auto Group Elects

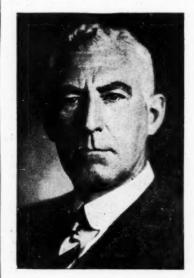
TORONTO—At the annual meeting of the Independent Automobile Insurance Conference of Canada, these officers were elected: General chairman, H. L. Kearns, Shaw & Begg, Toronto; vice-chairman for Ontario, E. M. Hill, Dominion of Canada General; secretary-treasurer for Ontario, H. E. Wittick, Pilot: vice-chairman for Quebec, Charles D. Matheson, Canadian General; secretary-treasurer for Quebec, Robert Parkin, Shaw & Begg.

On the executive committee are W.

On the executive committee are W. G. Spry, E. M. Hill, H. E. Wittick, H. L. Kearns and V. C. Smith, Toronto; Robert Parkin and C. D. Matheson, Montreal, and W. Hobson, Kitchener, Opt.

IN THE CANADIAN FIELD

Stailing Elected by Dominion Board



R. L. STAILING

Underwriters at its annual meeting here. William Lawrie, manager Phoenix, Eng., Montreal, is first vice-president, and B. W. Ballard, manager Hartford Fire, Toronto, second vice-president.

Immediate action on pending problems was urged by President Edgar J. Kay, North British. There has been extensive discussion in the past of various

tensive discussion in the past of various angles and questions and the time has angles and questions and the time has arrived to make decisions. The association's good will is "being slowly strangled by the acuteness of not only the intensive competitive situation, but an apparent hesitancy to admit of any changes that might, even in the initial stages, tend to restrict present arrangements or privileges," he declared.

McBean Heads Brokers

MONTREAL - Arthur McBean was MONTREAL — Arthur McBean was reelected president of the Insurance Brokers Association of Quebec at the annual meeting here. Charles E. Goeffrion, Montreal, is board chairman. Vice-presidents are: T. V. Depatie and Stuart Rolland, Montreal; H. R. Bouffard, Quebec and Aime Guertin, Hull. J. C. D'Auteuil, Montreal, is secretary-treasurer.

Butler Elected C.U.A. President

QUEBEC-R. L. Stailing, manager of Sun, Toronto, was elected president of the Dominion Board of Insurance the Dominion Board of Insurance dian Underwriters Association at a three-day convention here. Other officers are: Vice-presidents and chairmen: A. Samoisette, General Security, Montreal, fire branch; E. M. Whitley, Norwich Union, Toronto, automobile branch; C. Stuart Malcolm, Royal Exchairmen: J. J. Kilgour, Toronto, fire branch; J. H. Harvey, Montreal, automobile branch; John B. Alexander, Canadian Surety, Toronto, casualty branch. branch.

Members of the council: R. de Grandpre, New Hampshire Fire, Montreal;



W. C. BUTLER

F. S. Garrison, Hartford; James Matson, Montreal; Colin Sword, Union of Canton, Toronto; and Kenneth Thom, Western Assurance, Toronto.

In discussing North America's reduction in Ontario dwelling rates, R. H. Leckey, Aetna Fire, chairman of the fire branch, stated that the move "impressed upon agents and independent companies alike the dangers to all involved of this continued, unrestricted competition." C. U. A. companies wrote \$9,761,815 premiums in Ontario in 1943, or 50.1% of the total compared to 49.6% in 1942, 54.5% in 1941 and 51% in 1940. Loss ratios of C.U.A. companies in Ontario were 46% in 1943, 39% in 1942, 30% in 1941 and 36% in

MARINE INSURANCE NEWS

Details of WSA Insurance Told

WASHINGTON - Details of War Pay Tribute to S. D. McComb Shipping Administration insurance activities were laid before congressional committees recently during consideration of the war agencies appropriation tion of the war agencies appropriation bill; also in reports submitted to the Senate committee on commerce and the House committee on merchant marine, by Admiral Emory S. Land, WSA administrator; Percy Chubb, well known insurance man and assistant deputy administrator for fiscal affairs, and other WSA officials WSA officials.

WSA officials.

The war agencies bill provides for transfer of \$100 million from the WSA insurance fund to its general fund, due to the fact that war shipping and navigation conditions have greatly improved.

Mr. Chubb estimated that "approximately 60% of the amount of insurance that we have in the budget will be paid into the government insurance fund, and approximately 40% will go to private underwriters. Of that 40% a great part is under agreements where we can reunderwriters. Of that 40% a great part is under agreements where we can recapture any excessive profit, or we can participate. We are really utilizing the services and claims investigating services of the insurance underwriters."

"Are the premiums paid by the companies or are they paid by the government?" it was asked.

"On privately owned ships," Mr. Chubb said, "up to the present the premiums have been paid by the owners when they have been under time char.

when they have been under time char-ter. Under the new form of time charter. Under the new form of time charter, we are taking over the responsibility for the insurance. In the case of those ships, we are paying the premiums on the basis where we can recapture any excess profit, and we do not share in any loss."

This class or group represents less than half of the 40% above referred to, Chubb said. "Of the remaining half," Chubb said. "Of the remaining half," he continued, "the great bulk relates to liabilities to third parties—collision claims and injuries. In that case, even where we do insure the risk, we run 75% of the losses and we recapture 75% of the 'profits, and the organizations of

When you come to the end of your day! Enjoy a satisfying meal—a good night's rest at Lotel Wennox St. Louis the insurance companies actually settle the claims for us, subject to our super-vision. It saves a lot of work and helps out the manpower problem for us."

Pay Tribute to S. D. McComb

The late Samuel D. McComb, leader in the marine insurance field for more than 35 years, and head of Marine Office of America at the time of his death March 17, was eulogized at a meeting in New York City attended by members of the leading marine insurance organizations. A memorial resolution was adopted. William D. Winter, president of Atlantic Mutual, spoke in appreciation of Mr. McComb's services to the business in introducing the resolution, and Henry H. Reed, North America, president of the Association of Marine Underwriters of the U. S., paid tribute to Mr. McComb in seconding the motion.

To sell accident and health insurance use "Why Disability Insurance Is a Good Investment for You" booklets. Write National Underwriter, 17 W. Jackson Blvd., Chicago 4, Ill., for samples.





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Withdraw Manual Filings in View of Commerce Decision

(CONTINUED FROM PAGE 21)

anti-rebate laws, and statutes requiring each company to adhere uniformly to rates on file with the state insurance commissioner; these measures do not require an insurance company to engage in conduct which would violate the act.

Nor would the act invalidate state
statutes which provide for determination
by the state of standard forms of policies and coverage, or of rates and commissions

The Supreme Court expressly held in Parker vs. Brown that the act was not intended to and did not apply to state action, the brief asserts. The brief then goes on to make an analysis of state statutes applicable to fire insurance. While the statutes differ with respect to casualty, there is no reason why the same principle would not apply.

A. & H. Meeting Cancelled

In only a very few states, perhaps nine so far as fire insurance is concerned, are the rates legally authorized or pro-mulgated by the commission independ-ently fixed by rating bureaus with offi-cial approval and consequently not sub-ject to the provisions of the anti-trust

The Mutual Casualty Insurance Rat-The Mutual Casualty Insurance Rating Bureau operates only in rate regulated states where it has jurisdiction to act, and differs from the National Bureau in this respect, which also operates in nonrate regulated states. The mutual rating bureau does not intend to withdraw recent manual filings made with the New York deportment.

the New York department.

The Bureau of Personal Accident & Health Underwriters has cancelled its annual meeting scheduled for June 27-28 in view of the Supreme Court decision.

A. & H. Producers Hold St. Louis Convention

(CONTINUED FROM PAGE 21)

greater complexities of the situation existing today. He took up the problem isting today. He took up the problem of reemployment of men now in service. Because of their absence, he said that service to the public is necessarily cur-tailed but on their return that service must be resumed and improved wherever possible. He said that public relations depends primarily on how people "feel" depends primarily on how people "feel" toward accident and health insurance, rather than how they think. He char-acterized the service rendered to policy-holders as a major factor in public relaholders as a major factor in public relations and said that service cannot be rendered most effectively unless the agent is fully and carefully informed and instructed as to the objectives, ideals and purposes of his company with respect to its policyholders and the public. He devoted a large part of his talk to the social security question, including the objections to the Wagner-Murray-Dingell bill and the dangers inherent in the sort of an organization it would set up. However, he said it is important to

up. However, he said it is important to take a broad and receptive attitude towards this subject "if only because our policyholders represent a large proportion of the population of the United States and Canada, and what is good so-cially and economically for the country at large should be good socially and eco-nomically for accident and health insurance in the long run."

To promote the continuance of state

regulation of insurance, which he said has worked out satisfactorily in the past, he urged a more sympathetic atti-tude toward the insurance departments and cooperation in every effort toward improvement in state regulation.

Scheufler on Public Relations

Superintendent Scheufler of Missouri, speaking on "Public Relations," said it involves far more than the element of friendliness and courtesy. It



An important subject that got rather badly smothered at the convention of the National Association of Insurance Commissioners was group hospitaliza-tion and medical service. Commissioner Neel of Peennsylvania, chairman of the committee, managed to hold a session one hot afternoon but it was evident the question deserves a lot more attention than it was able to get in competition with the consideration of the effects of the Supreme Court decision in the com-

Report on Harrisburg Meeting

Mr. Neel had held a meeting at Har-Mr. Neel had held a meeting at Har-risburg, May 15, attended by several im-portant representatives of Blue Cross plans and he got up a report that formed the basis of the discussion at the Chi-cago meeting. He expressed the belief that there is need for national uniform-ity in regulation of hospital and medical service plans in order for them to serve the greatest public need and to avoid the necessity for federal control and legislation.

Mr. Neel recommended that administrative regulations be promulgated providing among other things that directors of suchplans should serve without pay.

calls for the dissemination of basic information and also for the establishment of a basic philosophy in the mind of the public regarding what it is that insur-

public regarding what it is that insurance men are endeavoring to sell.

He said the insurance business today is confronted by a dazed and uninformed public, a public which by all of the intendments involved in the relationship desires to be friendly, but in many respects still remains mystified. It can't be taken for granted that the correct impression of the operations of insurance is reflected unless something is done to make an accurate impress on the public mind. mind.

Such dissatisfaction on the part of the public as I have encountered either pro-fessionally or officially has arisen largely from ignorance of the facts or the lack of full realization of the problems in-volved," he said.

volved," he said.

Mr. Scheufler urged very strongly a united front in all branches of insurance against opponents who are trying to tear down the good will established through many years of concentrated, construc-

tive work.

Mr. Scheufler took up rather briefly Mr. Scheiner took up rather shells the situation created by the recent Supreme Court decision and the action taken by the insurance commissioners on that subject. He also reviewed the report of the commissioners committee on social security of which he is chair-man and the action taken on that report, with emphasis on the preservation of in-surance as an institution of competitive enterprise.

Insurance Women in Wichita

WICHITA—The officers and executive board of the National Association of Insurance Women launched a busy four-day session with a breakfast Monday given by Dulaney, Johnston & Dulaney, Johnston & Society of New York submit essays, as was done in the

Priest.
Six of the party, including all of the officers headed by President Ada V. Doyle of Caldwell, N. J., had stopped off Sunday in Topeka, where they were joined by Marjorie Wilson of the Meade agency, a member of the executive board, and were entertained by the Topeka association. The new association of Topeka Life Insurance Women, ow with 20 charter members headed now with 20 charter members headed by Hazel Gentry of Metropolitan Life as president, has been accepted by the

All members of the executive board are in attendance except Marjorie Hull of Syracuse, N. Y. Business sessions get under way Monday.

In commenting on this point, Marion Burks of the Illinois department asked whether it was consistent with the nonprofit idea to permit the associations to profit idea to permit the associations to reward solicitors with bonuses or with commissions based upon volume. He indicated the belief that a straight sal-ary method is proper. The initial working capital should be provided by those who have no financial interest in the activities of the associa-

interest in the activities of the associa-tion. Opportunity should be given for all institutions of standing in each en-rollment area to become member hospitals and the subscriber should be free to use such facilities. The non-profit plan should not be established indiscriminately but only with regard to public necessity and convenience.

Benefits should be expressed in service rather than in dollars and arrangements should be made to protect the interests of subscribers when it becomes impossible for such services to be provided. At this point there was considerable discussion of the possibility that should non-profit plans be permitted to pay cash indemnities under certain circumstances they would eventually turn into regular insurance companies.

Reciprocal Arrangements

Mr. Neel recommended that a state Mr. Neel recommended that a state regulatory body should encourage hospital service plans to establish reciprocal arrangements for service benefits when subscribers are cared for outside of their own enrollment area. Hospital service plans, he said, have a social responsibility to make their service available to those who do not meet group requirements. They should be made available to individuals.

Proper reserves should be required for Proper reserves should be required for unearned subscription fees and unpaid hospital bills and surplus should be accumulated at the rate of not less than 5% of earned subscription income. When the surplus equals five months subscription income or seven months hospitalization expenses, the Blue Cross plan should consider increasing benefits or reducing the rates. The insurance commissioner should give attention to a uniform classification of accounts. Uniform titles and definitions for statistical data are desirable.

Payments to hospitals should be based Payments to hospitals should be based upon the cost of the service provided to subscribers. Plans should have a definite policy as to the geographic area from which they accept subscribers. These areas should be on file with the state regulatory bodies.

Expenses for acquisition and administration need not exceed 15% of total

earned income after the first two years.

Mr. Neel expressed the belief that medical service should be provided along with hospital care through a single organization and the insurance departments should encourage the growth of such organization.

Mr. Neel's report is being sent to the individual commissioners. Mr. Neel said melvidual commissioners. Mr. Neel said he expects his committee to have a meeting with the subcommittee of the American Medical Association and ex-pects to have a report with recommen-dations at the December meeting of the insurance commissioners.

In lieu of a final examination, stu-dents in the reinsurance course of the Insurance Society of New York will submit essays, as was done in the first course, given two years ago, W. F. Delaney, instructor in charge, announced. Sterling Offices, Ltd., is offering a \$50 prize for the best paper.

prize for the best paper.

Mr. Delaney has left on an extended business trip to Cuba and a successor as instructor has not yet been appointed. Last week's lecture was given by J. A. Cathcart, Jr., vice-president of Peerless Casualty, who had charge of the first course. He will also give the casualty reinsurance lectures. P. R. Willemson, vice-president of Sterling Offices, will be responsible for the fire lectures, and W. H. Curwen, assistant underwriter Royal-Liverpool marine department, will give the marine lectures. partment, will give the marine lectures.



things to see and do in Salt Lake City. Perfectly located, with large modern rooms of beauty and comfort. Four famous restaurants serving fine food. In the shopping and business center - you will find it more convenient and economical to stay at the Newhouse.



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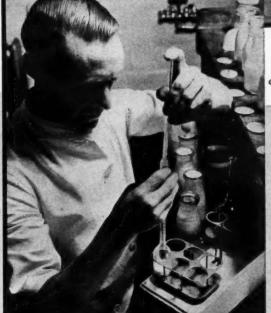
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Pay no more than ceiling prices. Pay your Points in full. Help defeat the Black Market.

Photos by courtesy Milk Industries Foundation

ING AMERICA!

Dairy Products

Milk and milk products comprise over 25% of the 1700 lbs. of food consumed yearly by the average American—and one out of every 15 U. S. families is dependent on milk for a livelihood. The dairy industry, therefore, is making a substantial contribution to the feeding and building of America.

In wartime, more than ever, milk ranks as an indispensable food. Milk from America goes to our forces overseas, and to our Allies, in powdered and evaporated form and as cheese and butter. America produces over a billion quarts of milk and over seven and a half million gallons of ice cream a week for the armed forces, war workers, and civilians. Regular deliveries of the nation's most perishable, yet best safeguarded, food represent an evolution of production, processing, scientific control, refrigeration, transportation, and distribution that may well be regarded as an epic of modern times.

Experts of the industry have predicted that America will be the dairy center of the world when the war ends.

PROTECTING AMERICA!

Pasteurizing and sanitary containers protect the health of America's millions of milk users by destroying harmful bacteria and preventing milk-bourne disease. And insurance protects the vast investments which stem from America's 5½ billion-dollar-a-year dairy output—investments in buildings, supplies, transportation and other equipment exposed to hazards of loss by fire, explosion, windstorm and other perils. Insurance also renders a loss prevention service by applying all the measures known to modern engineering for the sufficient of the supplying all the measures known to modern engineering for the sufficient of the supplying all the measures known to modern engineering for the supplying and the supplying all the measures known to modern engineering for the supplying and the supplying all the measures known to modern engineering for the supplying and the supplying all the measures known to modern engineering for the supplying all th



to modern engineering for the conservation of life and property.

Inquiries are invited regarding the extensive underwriting facilities of the Royal-Liverpool Group.

ROYAL-LIVERPOOL GROUP ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

A LONDON'A GLOBE INSURANCE COLDENY BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD GAPITAL FRE INSURANCE COMPANY OF CALIFORNIA - THE DIVERBURY FEDERAL UNION INSURANCE COMPANY - ROYAL INSURANCE COMPANY LTD - QU'EN INSURANCE COMPANY OF CALIFORNIA - THE DIVERBURY OF CALIFORNIA - THE NIVARK TRE INSURANCE COMPANY OF AMERICA - THE NIVARK TRE INSURANCE



SHOCK TROOPS OF HUMANITY!

From the shell-torn areas right behind our fighting men to the firesides of the most peaceful of American homes, an army of men and women mobilized under the most humane of all banners is doing an enormous part to win this war.

Just think a minute of the major divisions of this great force—think what they are doing every hour of every day! Here are the three great "arms" of the American Red Cross:

First—those directly aiding the armed forces;

Second—the countless guardians of civilian welfare, tireless workers on the home front; Third—those who send aid to prisoners of war, unswerving in their help to our captured fighters.

There are many subdivisions of this army—blood donors, Nurse's Aides, Gray Ladies, field service workers. Backing them, in turn, are millions of Americans, who through generous contributions make this possible.

It is with a feeling of gratitude that The Home Insurance Company—many of whose producers, staff, and their families are taking an active part in this noble work—publishes this message.

This is the fourth of a series of advertisements dedicated to the American Red Cross by

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